HOUSING FOR A HEALTHY SANTA CRUZ

FY 2024 California Emergency Solutions (ESG) Funding

Overview of the State of California and Local Santa Cruz County Funding Requirements and Process

California ESG Program Background

- Department of Housing and Community Development (HCD) has released a multi-year ESG Notice of Funding Available (NOFA) for **$39 million** over 3 program years: $15 million in 2024-25 and $12 million in each of 2025-26 & 2026-27

- Eligible program types:
  - **Street Outreach**
  - **Emergency Shelter**: No Renovation or Major Rehab, but Essential Services and Operations allowed
  - **Rapid Rehousing (RRH)**: 40% of total awards must be for RRH
  - **Homelessness Prevention**: No more than 10% of a contract budget and no standalone Prevention projects
  - **Homeless Management Information System (HMIS)**

- Eligible applicants: **nonprofits** or units of **local government** that provide or contract with nonprofits to provide eligible activities

Significant Changes This Year

- HCD has adopted new **ESG program guidelines**

- Moving from annual to **three-year NOFA** cycle: 2024, 2027, 2030, etc.

- Moving from single year to **multi-year standard agreements** with three-year not-to-exceed (NTE) estimated amounts.

- In NOFA off years, **no application** will be needed; HCD will simply add new annual funding through a standard agreement **amendment**

- The contract **period of performance** for **each annual amount** will be typically be **21 months**, though year 1 if this NOFA will be **19 months**

Multi-Year Contract Example: 2024-2028

NTE 3-Year Funding	Contract Year 1: 2024	Contract Year 2: 2025	Contract Year 3: 2026	Contract Year 4: 2027	Contract Year 5: 2028
Funding Year 1: 2024	Award Spending Period 12/1/24 – 9/1/26 →				
Funding Year 2: 2025		Award Spending Period 12/1/25 – 9/1/27 →			
Funding Year 3: 2026			Award Spending Period 12/1/26 – 9/1/28 →		

Allocations for ESG Projects in Santa Cruz County

- $299,232 – FY2024 allocation

- $209,478 – Estimated FY2025 allocation

- $209,478 – Estimated FY2026 allocation

- **$718,188 – Estimated allocations for entire 3 years**
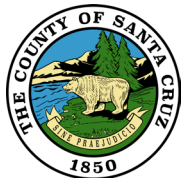
Role of the Housing for Health Partnership (H4HP) in Recommending ESG Projects

- HCD requires H4HP (our local Continuum of Care–CoC) to carry out a local fair and objective process to **review and recommend projects** for ESG funding to HCD

- ESG applicants in Santa Cruz County **must participate** in the H4HP process

- Under State rules, H4HP may recommend **no more than 2 projects** for submission to HCD

Two-Step Application Process

- Step 1 – Local Application:
  - Applicants submit local applications to H4HP
  - H4HP carries out process to review local applications and recommend up to 2 projects to apply to HCD for ESG funds
  - H4HP Policy Board approves project recommendations

- Step 2 – HCD Application
  - The recommended application(s) complete and submit HCD's ESG application in the eCivis portal
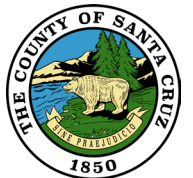 - H4HP submits *Recommendations Form* to HCD

Local and State ESG Timeline

- January 31, 2025 – HCD opens eCivis application portal
- **February 14, 2025, 5 PM – Deadline to submit local applications to H4HP**
- February 20, 2025, 3:00-5:00 – Review Committee meets to review ESG projects/develop recommendations
- February 26, 2025, 3:00-6:00 – H4HP Policy Board meeting includes approval of ESG project recommendations
- **March 29, 2025, 5 PM – Deadline for recommended applicant(s) to submit final ESG applications to HCD in eCivis portal**
- July 2025 – ESG awards announced by HCD

Additional Key Requirements in HCD ESG NOFA

- A **minimum of 40%** of all contract awards - **Rapid Rehousing** (RRH)
- Homelessness **prevention** is limited to **10%** and not standalone
- **Rental assistance** can't exceed **FMRs** (HCD is seeking a waiver)
- Must submit **Policies and Procedures** (P&Ps) for **program type**
- **100% match** requirement – cash and/or in-kind
- **Penalty** for not expending 100% of grant award by the deadline: contractor banned for two annual funding cycles
- **Housing First**
- Advancing **racial equity**
- **Environmental review**
- **Board Authorizing Resolution** must be on HCD template

Number of Local Projects and Minimum & Maximum ESG Grant Requests

- H4HP will recommend **either one project** for all the funds **or two projects** each to receive a portion of the funds

- Each applicant must request three years of funding

- Must adjust budget if H4HP recommends higher or lower

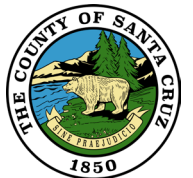| Minimum grant request:	Maximum grant request:
• $74,808 for the first year • $52,570 for the second year • $52,570 for the third year ($179,547 total over all three years)	• $299,232 for the first year • $209,478 for the second year • $209,478 for the third year ($718,188 total over all three years)

Local ESG Funding Priorities

- **High** priority is on **RRH** programs that are:
  - High performing
  - **Targeted to** serving **families with children exiting emergency shelters** (including youth and DV shelters)
  - Use at least **50%** of ESG funds for **rental assistance**

- **Medium** priority is on other RRH and Emergency Shelter that provides housing assistance and supportive services

- **Low** priority is on night-by-night Emergency Shelter with limited services, Street Outreach, HMIS, and any other projects
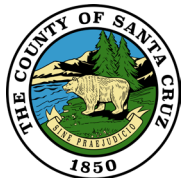
(See RFP pp. 8-9 for details)

Local Application Submission Requirements

Submit the application checklist and the following via email by **February 14th, 2025, at 5 PM**:

1. Local ESG Project Application

2. Local ESG 3-Year Project Budget

3. Governing Board Authorizing Resolution

4. Need Narratives (one page maximum)

5. Supplemental Narrative (only for agencies that received ESG funding in the past 2 years)

6. HMIS or Comparable Database Report (for 10/1/23-9/30/24 or most recent 12-month period)

7. Program Expenditure Financial Report (for 10/1/23-9/30/24 or most recent 12-month period)

8. Evidence of Leverage and Match Commitment for Funding Year 1

9. Written Policies and Procedures (for all proposed program activities)

10. Evidence of Site Control (only for Emergency Shelter applications)

Local Objective Criteria – 120 Points Possible

Review Criteria & *Application Location*	Points Possible
Applicant Experience *Application Form I*	20
Program Design *Application Form II*	20
Need for Funds/Local Priority *Application Form III*	30 (10 - Need, 20 - Local Priority)
Impact & Effectiveness *Application Form IV*	30 (20 - Performance, 10 - Leverage)
Cost Efficiency *Application Form V*	10
Meets Objectives of Local Plan *Application Form VI*	10

Where and When to Submit

- Local Applications:
  - Email all completed local application material to Sheryl.norteye@santacruzcountyca.gov AND tonygardnerconsulting@yahoo.com by **February 14th, 2025, at 5 PM**
  - Do not send paper copies

- HCD Applications (only submit if recommended by H4HP):
  - Submit a completed ESG application to HCD in eCivis at https://gn.ecivis.com/GO/gn_redir/T/vyjsqf2kekyx by **March 28, 2025, 5 PM**

If you have questions about the process or need technical assistance, please contact:

- H4H Division staff at Sheryl.norteye@santacruzcountyca.gov or
- Our consultant at tonygardnerconsulting@yahoo.com