

**Department of Housing and Community Development
Emergency Solutions Grant Program**

**FREQUENTLY ASKED QUESTIONS
NOFA YEAR 2017**

GENERAL QUESTIONS

1. Do services have to be provided in every part of our CoC Service Area?

Answer: ESG-funded services should be *offered* in every part of your CoC Service Area through the CoC's Coordinated Entry System. People should have comprehensive and coordinated access to services through your Coordinated Entry System from multiple entry points throughout the Service Area. For CoCs within the Continuum of Care Allocation, all funded activities shall be available to persons in Nonentitlement Areas. AEs shall facilitate outreach and access to reach populations in Nonentitlement Areas, and shall evaluate participation from these areas at least once a year.

Whether services are actually provided everywhere in a CoC Service Area will depend on the needs of the individuals and families who are prioritized for services, based on your Coordinated Entry assessment tool. Consistent with the Department of Housing and Community Development's (Department) Core Practices in State Regulation section 8409, prioritized access to assistance must be provided to those with the most urgent and severe needs, including the unsheltered and those not living in places meant for human habitation; people who have experienced the longest time homeless, and those with multiple and severe service needs that inhibit their ability to quickly identify and secure housing on their own. See Section 8409 for more information.

2. Could you provide guidance on what is considered a fair and open competition?

Answer: Generally speaking, a fair and open competition is one conducted in compliance with HUD procurement requirements for the ESG program. In most cases, this will mean that a competitive RFP process was undertaken by the AE or CoC. Local governments conducting the procurement activities should consult 24 CFR 85.36; nonprofit organizations conducting the procurement activities should consult 24 CFR 84.40-84.48. For the Department's other requirements relating to the provider selection process, AEs and BoS should also consult current NOFA .

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3. Can the same provider be recommended by the AE or CoC for more than one award?

Answer: Yes, if selected pursuant to a fair and open procurement process as discussed above.

Note that under the BoS allocation, within the noncompetitive Rapid Rehousing (RR) set-aside, there are no minimum and maximum grant limits imposed by the Department; therefore, it is possible for one provider to receive one award for the entire amount of RR available to the CoC Service Area under this set-aside

Within the BoS Allocation, if separate selection processes are run for the Department's noncompetitive RR set-aside funds and for the regional set-aside funds, it is possible for the same RR program to be funded in both set-asides; however, the same program, whether RR, Emergency Shelter (ES) or Street Outreach (SO), cannot submit both applications under the regional competition.

4. What types of housing are eligible to be used in an RR program?

Answer: If the housing complies with the requirements below, RR assistance may be provided for apartments, rental houses, rented rooms in houses, and motels/hotels. Rooms may also be shared, as long as all persons residing in the space paid for with ESG funds qualify for RR assistance. All housing types must:

- (1) Comply with Fair Market Rent limits as calculated in 24 CFR Part 888;
- (2) Comply with Rent Reasonableness requirements outlined in 24 CFR §982.507;
- (3) Comply with minimum habitability standards in 24 CFR 576.403 (c), including lead-based paint requirements. Note that all food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner, (i.e. access to refrigerator, stove or microwave, and sink must be provided);

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- (4) Have a rental assistance agreement with specific lease stipulations between the funded program and the property manager or owner; and,
- (5) Have a legally binding, written lease agreement between tenant and property manager or owner.

ESG RR financial assistance cannot be provided to program participants if they are receiving financial assistance of the same type provided through other public sources.

See 24 CFR sections 576.104 through 576.106 for additional RR requirements.

5. Can an ES have a specific length of stay?

Answer: Yes. Standards regarding length of stay, if any, must be included in the CoC Written Standards for ES or other program-specific policy and procedure documents.

6. Can we serve Category (3) homeless under the ESG homeless definition without special permission?

Answer: Yes

7. Are “in-kind” services allowable as match?

Answer: Yes. The value of donated property (e.g., lease payments), equipment, goods, or services contributed by the funded program to carry out ESG activities, if these costs could have otherwise been paid for with ESG funds, can count as match. These contributions must be made to the program within the term of the ESG grant.

In-kind services must be valued at rates consistent with those ordinarily paid for similar work within the funded organization. Donated materials and leases must be valued at fair market value. NOTE: Contributions of items that normally would be

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regarded as indirect costs, if they had been paid for with ESG funds, typically cannot count toward the ESG match requirement. See 24 CFR 576.201 for more information regarding match.

8. Can CalWORKs Housing Support Program (HSP) funds be used as ESG match?

Answer: Yes, if the HSP matching funds are used in accordance with ESG program requirements. Note that If CalWORKs HSP funds are used as ESG match, ESG funds cannot be used to satisfy any match requirement of the CalWORKs HSP. Note also, HUD has determined that HOME Tenant-Based Rental Assistance funds generally cannot be used as ESG match because of differences between the rental assistance requirements of HOME and ESG.

See <https://www.hudexchange.info/faqs/1086/what-sources-of-funds-can-be-used-as-cash-match-for-esg/> for more information.

9. What can the indirect cost allocation pay for versus ESG Grant Administration?

Answer: Grant Administration costs are costs directly related to carrying out the ESG activity; and can include such things as: general management, oversight and coordination; staff costs associated with administration of the ESG program; goods and services costs related to ESG program administration; ESG training; and, costs of preparing an ESG environmental review. Only AEs and local government applicants may receive grant administration from the Department in the 2016 funding round.

Indirect Costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective or activity.

HCD will reimburse grantees for indirect costs at a “de minimus rate” of up to

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10 percent, unless the grantee has a federally authorized indirect cost rate agreement. If the grantee has a federally authorized indirect cost rate agreement, HCD will reimburse grantees for indirect costs at the authorized rate. If an applicant is requesting an indirect cost rate higher than 10 percent on the basis of a federally authorized indirect cost rate agreement, that agreement must be submitted with their application.

The ESG application requires applicants to distribute the requested ESG funds by activity, reflecting the percentage of ESG funds proposed for each activity. The application also requires applicants to distribute their requested indirect costs using the same percentage allocation. For example, if an applicant proposes to use 20 percent of their ESG funds on Activity A, their application should also propose that 20 percent of their indirect costs should be allocated to Activity A