

Department of Housing and Community Development California Emergency Solutions Grants Program

Program Guidelines

Section 100. Purpose and Scope.

- (a) These Guidelines establish policies and procedures for the California Emergency Solutions Grants Program (CA ESG Program) within the California Department of Housing and Community Development (the Department) to meet the requirements contained in Chapter 19 (commencing with section 50899.1) of Part 2 of Division 31 of the Health and Safety Code.
- (b) Pursuant to the requirements of the CA ESG Program statutes, and any amendments thereto, the CA ESG program shall be administered by the Department in a manner consistent with the federal ESG program as set forth in 42 U.S.C. sections 11371-11378), and any amendments thereto, 24 CFR Part 576, and California Code of Regulations Title 25, Division 1, Chapter 7, Subchapter 20 section 8400 et seq, except as otherwise provided in these Program Guidelines (Guidelines).
- (c) In the event of any inconsistency between the requirements of the CA ESG Program and the federal ESG Program, these Guidelines for the CA ESG Program shall prevail.

Section 101. Definitions.

- (a) "Administrative Entity" means a Unit of general purpose local government approved by the Department pursuant to 25 CCR 8403 to administer ESG or CA ESG funds.
- (b) "CA ESG" means the California Emergency Solutions Grants Program.
- (c) "Continuum of Care" means the same as defined by the United States Department of Housing and Urban Development at section 586.2 of Title 24 of the Code of Federal Regulations.
- (d) "California ESG Regulations" means the regulations set forth in section 8400 and following of Title 25 of the California Code of Regulations, pertaining to the administration of the Federal Emergency Shelter Grants Program.
- (e) "Subrecipient" means an entity that enters into a written agreement with the Department to implement activities pursuant to the requirements of the CA ESG Program.

- (f) “Subrecipient of an Administrative Entity” means an entity that enters into a written agreement with an Administrative Entity to implement activities pursuant to the requirements of the CA ESG Program.

Section 102. Allocation of Funds.

CA ESG funds will be made available for Eligible activities in the same manner described in 25 CCR 8402 except as otherwise noted below.

- (a) The Department may allocate available CA ESG funds over one or more years as set forth in the Notice of Funding Availability (“NOFA”).
- (b) Pursuant to section 50899.5 of the Health and Safety Code, the Department may permit a Subrecipient or Subrecipient of the Administrative Entity who is a city, county, or other political subdivision of the State of California to use an amount that does not exceed five percent of the amount provided in CA ESG funds to that entity for general administration costs in furthering the purposes of this chapter.
- (c) All Continuum of Care Service Areas in the State, including Service Areas that have no Nonentitlement Areas, shall be eligible to receive CA ESG funds subject to program requirements.
- (d) The formula factors used for the calculation of CA ESG program awards shall utilize data as set forth in 25 CCR 8402 except that data from the entire Continuum of Care Service Area shall be used, including data from both Entitlement Areas and Nonentitlement Areas.

Section 103. Continuum of Care Allocation.

An award of funds made to a Service Area in the Continuum of Care Allocation shall be administered by an approved Administrative Entity within the Service Area in which it is located pursuant to the requirements of 25 CCR 8403 except as otherwise noted below.

- (a) Matching funds for CA ESG funds must be provided pursuant to the requirements of section 110 of these Guidelines.
- (b) Continuum of Care Service Areas that contain no Nonentitlement Areas shall be subject to the requirements of 25 CCR 8403 as applied to their Entitlement Areas.

Section 104. Balance of State Allocation.

The Department will administer the Balance of State Allocation for a Service Area without an ESG Entitlement consistent with the requirements of 25 CCR 8404, except that matching funds for CA ESG funds must be provided pursuant to the requirements of section 110 of these Guidelines.

Section 105. Notice of Funding Availability.

The Department will issue a NOFA soliciting applications for Eligible activities within the regional allocations pursuant to 25 CCR sections 8404 (a) (4) and 8404 (a) (5). Subject to the availability of funds, this NOFA may make available both CA ESG funds, and ESG funds allocated to the Department.

Section 106. NOFA Application Process.

Applications submitted pursuant to the NOFA for the regional competition pursuant to 25 CCR sections 8404 (a) (4) and 8404 (a) (5) shall meet the requirements of 25 CCR 8406, except that matching funds for CA ESG funds must be provided pursuant to the requirements of section 110 of these Guidelines.

Section 107. Selection Criteria for NOFA Applicants.

All applications made pursuant to section 25 CCR 8404(a) (5) will be evaluated and ranked according to the requirements of 25 CCR 8407.

Section 108. Eligible Activities.

- (a) Funds awarded by an Administrative Entity or by the Department shall be used for Eligible activities as permitted by 25 CCR 8408.
- (b) A maximum of 20 percent of an individual formula allocation under 25 CCR 8402 may be used for costs necessary to develop or operate a centralized or coordinated assessment system pursuant to the requirements of 24 CFR 576.400(d). Eligible costs do not include capital development activities, including but not limited to, real property acquisition, construction, or rehabilitation activities.

Section 109. Core Practices.

- (a) All CA ESG funds shall be utilized in a manner consistent with the Core Practices set forth in 25 CCR 8409.
- (b) All service providers receiving CA ESG funds shall take actions to create an effective, welcoming and affirming environment for all program participants and employees, including, but not limited to, persons of different races, ethnicities, sexual orientations, gender identities, and gender expressions.

Section 110. Matching Funds.

All CA ESG expenditures shall meet the requirements set forth under 24 CFR 576.201 except that the Department may establish a match requirement for CA ESG funds in the Department's annual ESG Action Plan for an amount lower than that required for ESG funds under 24 CFR 576.201.

Section 111. Standard Agreement.

- (a) The Department shall enter into a written contract known as the “Standard Agreement” directly with the Subrecipient. The Standard Agreement shall meet the requirements of all applicable laws, including 25 CCR 8411, the CA ESG Program statute Chapter 19 (commencing with section 50899.1) of the Health and Safety Code, and these Guidelines.
- (b) Where a Subrecipient is awarded both ESG and CA ESG funds under the same NOFA, the Department may execute one Standard Agreement for both the Federal ESG funds and the CA ESG funds.
- (c) CA ESG funds shall be managed through the Department’s own financial management system and not IDIS. Requirements in 25 CCR 8411 which reference IDIS shall also dictate the requirements and use of the Department’s own financial management system for CA ESG funds.
- (d) The Department may extend the time period for expenditure of CA ESG funds under a Standard Agreement to up to 30 months as necessary to expend all funds under a contract.

Section 112. Disbursement Procedures.

- (a) CA ESG funds shall be disbursed in the manner described in 25 CCR 8412 except that compliance with 24 CFR Parts 50 or 58 shall not be required if not otherwise applicable.
- (b) Pursuant to section 111(b) of these Guidelines, where a Standard Agreement contains both ESG and CA ESG funds for the same activity, the ESG funds shall be disbursed and expended prior to disbursement and expenditure of CA ESG funds.

Section 113. Reporting and Recordkeeping.

- (a) The Subrecipient shall retain all program records pertaining to the Standard Agreement for a period of five years from the date of expenditure of all funds as set forth in the Standard Agreement.
- (b) The Subrecipient or Continuum of Care shall submit the following reports:
 - 1) Annual performance reports during the period of the grant consistent with HUD requirements for ESG funds;
 - 2) A written completion report must be submitted within 60 days after expiration of the Standard Agreement and;
 - 3) Additional reports may be requested by the Department to meet other applicable reporting or audit requirements.

Section 114. Monitoring Grant Activities.

Expenditures and activities shall be monitored pursuant to the requirements of 24 CCR 8414.

Section 115. Sanctions.

The Department may, as it deems appropriate or necessary, impose sanctions, or pursue any remedies available to it under law, against a Subrecipient for failure to abide by any requirements applicable to the CA ESG program. Sanctions may include, without limitation, any or all of the following:

- (a) Conditioning a future CA ESG grant on compliance with specific laws, regulations, or guideline requirements;
- (b) Directing a Subrecipient to stop incurring costs under the current grant;
- (c) Requiring that some or all of the grant amount be remitted to the Department;
- (d) Reducing the amount of grant funds a Subrecipient would otherwise be entitled to receive;
- (e) Electing not to award future grant funds to a Subrecipient and prohibiting an Administrative Entity from awarding to a particular Subrecipient of the Administrative Entity until appropriate actions are taken to ensure compliance with CA ESG requirements and;
- (f) Taking any other actions permitted pursuant to 24 CFR 576.501.