Comments Received During the 2015 ESG Substantial Amendment Public Comment Period

	Comment	Commenter Initials (See Key Below)	Response
1.	Objection to deferral of ESG NOFA due to impact of delays in ESG funding for three months. No funding available to current grantees from July 2016 to October 2016. Three month delay in funding may cause many good programs to close during that three month period.	NA, JE, PV, SL, RC, CK, CSW, JS, KD, JB, CI, PG, DL	The Department is working with HUD so that we may extend contracts for existing grantees until the 2016 contracts are issued.
2.	Seek HUD approval to extend current ESG contracts for current grantees that might be impacted by a three month gap in funding from the time 2014 contracts expire and 2016 contracts are executed	CHSP	See above response.
3.	Fund programs currently funded in 2014 with 2015 funds.	C4DP, MCCoC, HBM. UWSCC	Our current State regulations do not give us the authority to allocate new funds to grantees without going through a NOFA process.
4.	Object to 50% noncompetitive set-aside for Rapid Rehousing (RR) or the overweighting of funds for RR under the new ESG redesign. High housing costs and limited lower-cost housing options will require that communities continue to adequately fund emergency shelter. Many funding streams now exclude emergency shelter.	NA, JE, PV, SL, SS, RC, CK, CSW, JS, KD, JB, CI DP, HBM, UWSCC, DL	Under the proposed ESG regulations, the Balance of State (BoS) Allocation covers CoCs with no ESG Entitlement jurisdictions in their Service Area, including Santa Cruz and Marin Counties. Under Section 8404 the proposed State regulations, in consultation with program stakeholders, the Department will propose a minimum and maximum amount in its ESG Annual Plan that may be accessed noncompetitively for Rapid-Rehousing in BoS areas. BoS Continuums of Care will then decide how

			much of their formula allocation to their service area they wish to access on for noncompetitive RR funds, and may recommend a provider(s) for those funds pursuant to the requirements set forth in the regulations and NOFA. BoS CoCs can decide not to access any funds noncompetitively for RR, or to access some percentage lower than the maximum set forth in the Department's Annual Plan. As proposed in Section 8404, BoS funds not accessed noncompetitively will be made available in competitive regional pools for any ESG eligible activity, including Emergency Shelter Discussions around Department Annual Plan issues, including the minimum and maximum percentage that may be accessed noncompetitively for RR, will occur next February/March. The Annual Plan 30-day public comment period will be in April, with specific proposals adopted in May. (Note that in order to ensure compliance with 24 CFR 576.100(b), the Department needs to ensure that the combination of funds allocated for RR and other non-shelter, non-street outreach activities within the Continuum of Care and BoS allocations is sufficient.)

5.	Oppose shifting funds from ESG Nonentitlement to ESG Entitlement jurisdictions in the new redesign. Entitlement jurisdictions already receive substantial funding from HUD.	C4DP, MCCoC,RC2, HBM, UWSCC, DL	Under Section 8402 of the proposed State ESG regulations, funds will be divided into two Allocations based on a formula which considers the following factors: 1) CoC Homeless Point-In-Time Count, adjusted downward proportionate to the population of the CoC Service Area that is within the Nonentitlement Areas; 2) The number of Extremely Low-Income Renters in the CoC's Nonentitlement Areas, and 3) The number of persons in poverty in the CoC's Nonentitlement Areas, weighted twice. The Department is considering only Nonentitlement data within these formula factors and weighting the Poverty Factor twice to ensure that need within Nonentitlement Areas is central to the operation of the formula. CoC Service Areas that have Entitlement jurisdictions within them will only receive ESG funds proportionate to the need in the Nonentitlement jurisdictions of their Service Area. Section 8403 (i) of the proposed regulations, while permitting State ESG funds to be used in Entitlement Areas, requires that through the use of Coordinated Entry and other means, all funded activities must be made available to Nonentitlement Areas of the CoC Service Area. Program participation by the Nonentitlement

			Areas within these CoCs must be evaluated annually, and future State ESG funding to these CoCs may be conditioned to ensure access by Nonentitlement Areas if households in these areas are not being served.

6.	RR not always appropriate for persons escaping domestic violence. Immediate safe shelter is a necessity.	C4DP	Emergency shelter is an eligible activity under the State regulations. Within the BoS Allocation, pursuant to Section 8404, these funds may be accessed through the regional competitive pools. The Department will rate and rank these applications for funding.
7.	Allowing CoCs to choose only one non-RR program may force communities to prioritize general population shelters over DV shelters	C4DP	The Department is seeking to limit the number of contracts, subcontracts, and activities per contract in order to control program administration costs of the Department and CoCs, these decisions will be made on an annual basis, with stakeholder input, through the Annual Action Plan process. Discussions with stakeholders on these issues are planned for next February/March. The 30-day public comment period for the Action Plan will be in April, with specific proposals adopted in May. Note that in order to ensure compliance with 24 CFR 576.100 (b), the Department needs to ensure that the combination of funds allocated for RR and other non-shelter, non-street outreach activities within the Continuum of Care and BoS allocations is sufficient. Note also that, as currently proposed in Section 8404, CoCs in the BoS Allocation are not required to access any funds for RR. They may instead recommend all of their providers for non-RR activities though the regional competitive pools.

8.	Oppose new formula factors proposed as part of the ESG Redesign. There should be more consideration of local factors affecting homelessness. Short-term changes in homeless PIT counts should not affect funding allocations. This will penalize successful CoCs while rewarding unsuccessful ones. Will lead to funding instability as counts change from year to year, and incentivize CoCs to overstate their PIT counts, Establish a hold harmless provision similar to HUD's that will keep CoC funding stable.	C4DP, MCCoC, RC2,HBM, UWSCC	The Department has received comments similar to this as part of the 45-day comment period under the proposed regulations. The Department will take these comments, and any suggestions for alternative formula factors, under consideration as part of that regulatory process.
9.	Commenter supports a set-aside for RR, and requiring one RR to be funded in every Balance of State (BoS) CoC, but have lower maximum grant amounts so that more shelter projects can be funded	RC2	See response to Comment #4.
10.	Don't limit the number of projects each BoS CoC can recommend for funding. Such limits could benefit inexperienced projects over experienced ones by virtue of their location in a particular BoS CoC while effectively closing long-running successful projects in a different part of the BoS CoC.	RC2	Section 8404 requires CoCs to consider provider experience in their provider selection process. The Department is seeking to limit the number of contracts, subcontracts, and activities per contract in order to control program administration costs of the Department and CoCs. These decisions will be made on an annual basis, with stakeholder input, through the Annual Action Plan process. Discussions with stakeholders on these issues are planned for next February/March. The 30-day public comment period for the Action Plan will be in April, with specific proposals adopted in May.

11.	a) Allow BoS CoCs to administer ESG funds directly, as the Department is permitting entities to do within the Continuum of Care Allocation. BoS CoCs administer CoC funds and can do so for ESG. b) These CoCs should be able to fund as many contracts as they wish and set their own minimum and maximum grant amounts	RC2	a) Section 8404 of the proposed regulations gives CoCs the responsibility of recommending projects for ESG funds, both for noncompetitive RR funds, and for funds for any ESG-eligible activity accessed in the competitive regional pools; however, the Department cannot delegate ESG contract administration responsibilities directly to CoCs where the CoC is not a legal entity. It is the Department's understanding that most CoCs are not legal entities and therefore are not the administering entity for either HUD CoC Program funding or ESG funding in their communities; therefore, no CoCs in either the CoC Allocation or the BoS Allocation are provided the option of directly administering ESG funds. Within the CoC Allocation, the option of having an Administrative Entity (AE) to administer ESG contracts directly is provided because these AEs, as currently proposed, must have experience administering ESG Entitlement funds. This experience will best ensure that State ESG funds will be administered in compliance with all federal ESG requirements. b) See response to comment #10.
12	City is the only ESG entitlement jurisdiction in its CoC. City cannot be the AE for the CoC due to: 1) inadequate general administration funds available through State ESG Program. (City ordinance requires it to recover full administrative costs for work performed outside the City.) 2) City cannot assume liability for any grantees	CS	The Department understands that there may be reasons why a particular ESG Entitlement cannot be an AE. In cases where there is no AE, the CoC can still access RR for its Service Area up to the maximum permitted under the Department's Annual Plan, and the Department will administer this contract(s) with the RR provider(s). The Department is also considering whether, in situations where a City is the only ESG Entitlement entity within the CoC, another governmental entity with similar program

	that fail to complete their grants and the City could not reimburse HUD or the State for any grants administered incorrectly by subrecipients in jurisdictions other than the City. 3) Additional State administrative requirements would be burdensome for the City (new set of rules, reporting, and timelines to a separate agency other than HUD). 4) Would require City staff to travel over a two-county 5,162 square mile area to monitor subrecipients that may be new to the City. New subrecipients would be considered high risk and require additional monitoring. 5) City is currently understaffed by two positions and has a difficult time recruiting for these positions. Existing staff would have a difficult time handling oversight of a new program given the current staff shortage which has lasted a long time.		administrative experience may qualify as an AE. Any modifications to the proposed regulations will be made as part of a 15-day comment period to begin in early December.

13.	Commenter is supportive of the State's goals for the ESG redesign. CoC well-equipped too take on additional ESG administrative responsibilities with adequate resources. CoC and provider outcomes will be significantly challenged if sufficient resources are not provided for the overall effort; therefore, HCD should consider increasing the proposed administrative percentage to 10% as permitted under the OMB "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"	CHSP	The Department is considering allowing entities to access up to 10% of an award for indirect costs as permitted under OMB rules; however note that, under federal rules this option may not be available for CcCs or AEs since they are not also receiving ESG activity funds. The Department will research this issue.
14.	HCD should provide clear guidance on how AEs will be able to carry out duties when a Continuum of Care is comprised of more than one County. How will AEs be selected if their internal policies mandate that all of their administrative costs must be covered when providing services or work outside of the authorized community?	CHSP	As currently specified in Section 8403, AEs must be a local government ESG Entitlement entity. In the case of a multi-county CoC, the local government must determine whether they have the legal authority to administer contracts outside of the boundaries of their jurisdiction. See response to comment # 12.
15	General comments about need in Marin County. No specific comments made regarding the ESG program. No specific comments made regarding the ESG program	AG	Thank you for your comments.
16.	Concern expressed about the need to help homeless people and not punish them. No specific comments made regarding the ESG program.	PC	Thank you for your comments.
17.	Concern expressed about funding cuts. No specific comments made regarding the ESG program.	BC	Thank you for your comments.

Comments Received During the 2015 ESG Substantial Amendment Public Comment Period

List of Commenters

1. Nancy Abbey (NA), Santa Cruz County Resident
2. Jerri Bodemar, (JB), Santa Cruz County Resident
3. Pat Carter (PC), Santa Cruz County Resident
4. Center for Domestic Peace (C4DP)
5. Buz Chaney (BC)
6. City of Salinas (CS)
7. Coalition of Homeless Service Providers (CHSP), Monterey and San Benito Counties
8. Crossover SoundWaves, Inc. (CSW)
9. Kimberly DeLucia (KD), Santa Cruz County Resident
10. Joanne Engelhardt (JE), Santa Cruz County Resident
11. Paul Gratz (PG), Santa Cruz County Resident
12. Angeles Gott (AG), Marin County Resident
13. Homeward Bound of Marin (HBM)
14. Carolyn Israel (CI), Santa Cruz County Resident
15. Chris Krohn (CK), Santa Cruz County Resident
16. Don Lane, Mayor, City of Santa Cruz (DL)
17. Sue Lawson (SL), Santa Cruz County Resident
18. Marin County CoC Homeless Policy Steering Committee (MCCoC),
19. Pajaro Valley Shelter Services (PV)
20. Ringold Consulting, (RC)
21. Ritter Center (RC2)
22. Jeffrey Smedberg, (JS) Santa Cruz County Resident
23. Stanley Sokolow (SS) Santa Cruz County Resident
24. United Way of Santa Cruz County (UWSCC)