

STATE OF CALIFORNIA
DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

FEDERAL EMERGENCY SHELTER
GRANTS PROGRAM
2011

NOTICE OF FUNDING AVAILABILITY



August 1, 2011

NOTICE OF FUNDING AVAILABILITY
FEDERAL EMERGENCY SHELTER GRANTS PROGRAM
CALIFORNIA ALLOCATION FOR 2011

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ATTACHMENTS

- ATTACHMENT A:** PART 1 - STATE FESG PROGRAM ELIGIBLE COUNTIES
PART 2 - ELIGIBLE CITIES IN INELIGIBLE COUNTIES (*2 Pages*)
- ATTACHMENT B:** GUIDE FOR DETERMINING FUNDING CATEGORY OF STAFF, BY
ACTIVITIES
- ATTACHMENT C:** SERVING SELECTED POPULATIONS WITH FESG FUNDING (*2 Pages*)
- ATTACHMENT D:** FESG PROGRAM CONTACT LIST

Notice of Funding Availability
Federal Emergency Shelter Grants Program
(California Allocation for 2011)

I. INTRODUCTION

The State of California Department of Housing and Community Development (HCD) requests proposals from eligible applicants for homeless facilities located in eligible cities and counties for funding authorized by Title IV of the Stewart B. McKinney Homeless Assistance Act, **(42 U.S.C. SECTIONS 11371-11378) and the Code of Federal Regulations in 24 CFR Part 576.**

Questions regarding this NOFA may be directed to FESG staff by e-mail or telephone. Refer to the FESG Program Contact List, **ATTACHMENT D.**

II. AUTHORITY

Title IV of the Stewart B. McKinney Homeless Assistance Act authorizes the U.S. Department of Housing and Urban Development (HUD) to allocate Emergency Shelter Grants (ESG) program funds nationwide to units of local governments and states utilizing an allocation formula. We anticipate a total of **\$6,624,592** will be available under this NOFA for nonprofits and units of general local government operating homeless facilities in State FESG-eligible cities and counties. Funding availability is subject to the execution of a formal Grant Agreement between HUD and the State.

The State FESG Program is governed by Title 24, Code of Federal Regulations, and Part 576. HCD has authority under State law (**Health and Safety Code Section 50406**), to accept these funds and distribute them in accordance with program requirements. The State FESG Program is also governed by State regulations located in Title 25, subchapter 20, Sections 8400 – 8421 of the California Code of Regulations. A copy of these regulations as well as the federal ESG Statute and Regulations can be obtained from the HCD website at www.hcd.ca.gov/fa/fesg.

III. IMPORTANT DATES AND ADDRESSES

A. Application Packaging and Submittal

The original application package and one (1) copy (hardcopy or Compact Disc (CD)) must be received no later than **Thursday, September 1, 2011 at 5:00 p.m.** Hand-delivered applications must be received **by 5:00 p.m.** on that day. Applications received by fax or e-mail will not be accepted. Applications received **after 5:00 p.m. will be rejected due to lateness, regardless of when they were sent.**

<i>Send via private delivery service or hand-deliver to DFA Receptionist at:</i>	Department of Housing and Community Development
	Division of Financial Assistance (DFA)
	Federal Emergency Shelter Grants Program
	1800 3 rd Street, Room 390
	Sacramento, CA 95811

To confirm receipt of your application do one of the following:

- 1) Hand-deliver the application to the FESG office and request a receipt.
- 2) Mail the application by certified mail, with return receipt requested.

For your convenience in completing the application forms, you may obtain a copy on the HCD website located at www.hcd.ca.gov/fa/fesg, or you may request forms electronically. Submit all requests to the FESG Fiscal Officer, Amanda Lockwood at ALockwood@HCD.ca.gov or call (916) 322-2045.

Note: It is the applicant's responsibility to ensure all forms are in the format described in the Application.

B. Timetable for NOFA Process-approximate dates

Technical Assistance (TA) shall be provided only during the time period indicated below. You may call an FESG Representative identified on **ATTACHMENT D** for technical assistance.

We encourage all technical assistance questions to be requested during this period via email to an HCD Representative.	August 1 through September 1, 2011
Application Workshop in Sacramento	TBD
FESG Applications DUE to HCD	September 1, 2011
Approximate announcement of awards	October 10, 2011
Anticipated mailing of contracts to grantees for signature	October 31, 2011
All contracts executed	November 10, 2011
Last date for FESG recipients to "obligate" funds	180 Days From the Date of the HUD Award Notification Letter
Deadline for grantees to file initial Program Activity Report (PAR) showing compliance with above obligation requirements.	180 Days From the Date of the HUD Award Notification Letter

All of the above dates (except for TA) are dependent on the date HUD approves HCD's award for fiscal year **2011** funding, as well as other factors.

Consequently, these dates may vary by 1-2 weeks or more, earlier or later. The actual obligation and expenditure deadline dates will be stated in **EXHIBIT A** of the FESG Standard Agreement. ***Please be aware that receipt of an FESG Grant in the past does not guarantee future awards.***

IV. APPLICATION WORKSHOP

To assist applicants in preparing their applications, HCD will conduct a workshop that will cover the NOFA, application, and rating and ranking criteria. It is recommended that the grant writer and applicant attend the workshop. The 2011 PowerPoint presentation from the application workshop will be posted on the HCD website at: www.hcd.ca.gov/fa/fesg

Application workshop date to be determined.

Notification of the Workshop date will be accompanied with the RSVP Form and distributed to the FESG Interested Parties and posted on the HCD website.

V. ALLOCATION OF FUNDS AND FUNDING

A. Allocation of Funds:

Pursuant to Section 8402 of the State FESG regulations, up to five percent is available to New Programs in FESG-eligible cities and counties. To be eligible under the New Program allocation, FESG funds must be used for an FESG-eligible project activity that has been operating for less than two years from the date of this NOFA; and the organization applying for the funds must not have received either State FESG or Emergency Housing Assistance Program EHAP funds in the previous two funding rounds.

The remaining available funds (not less than 91 percent of the available funds) will be divided among three regional allocations and one general allocation on a competitive basis to programs operated by nonprofit organizations and local governments in FESG-eligible cities and counties, (listed in NOFA **ATTACHMENT A**), as follows:

1. 33 percent - FESG-eligible Programs in the Northern California Allocation Region;
2. 24 percent- FESG-eligible Programs in the Southern California Allocation Region;
3. 19 percent - FESG-eligible Programs in the Rural County Allocation Region;
4. 15 percent - plus any unawarded funds from the regional or New Programs set-asides, will be considered the General Allocation amount, and will be awarded on a competitive basis to any remaining unfunded applicants in the order of their competitive statewide ranking, until all State FESG funds have been awarded.

B. Minimum and Maximum Grant Amounts: Only one-year grants offered.

1. The minimum grant amount per application is \$30,000.
2. The maximum grant amount per application is \$132,000.

Application Submittal:

Applicants may submit more than one application and choose not to combine different projects into the same application. However, applicants may not submit more than one application per project. How an applicant submits an application may impact a potential award. The following scenarios may provide you guidance. It is up to each applicant to submit the application as they think best.

SAMPLE SCENARIOS

SCENARIOS	APPLICATION SUBMITTAL	PROCESS OF EVALUATION
I	Options	
City Shelter Project wants to operate an Emergency Shelter to house 20 clients at 200 Front Street, and 10 clients at 100 East Avenue.	Applicant may submit one application. The application must include two sets of documents for SECTIONS II, III and IV , one for each site.	Each shelter will be rated separately. Scores will be averaged to result in total scoring as one application. The facilities will not be competing against each other. If funded, this would result in one contract. <i>(Note: if one program does not meet eligibility requirements, only the program that is eligible can still be funded for the amount requested for that particular program.)</i>
	Applicant may submit two complete applications for each location (address).	Each application will be evaluated and rated as separate proposals. They will be competing against each other for the regional allocation. New Programs will compete with other New Programs' allocation. One, both or neither may be funded. This option would result in two contracts.
II	Options	
Project Hope wants to operate an Emergency Shelter and a Transitional Housing project at 300 East Avenue.	Applicant may submit one application. The application must include two sets of documents for SECTIONS II, III, and IV for each project, emergency shelter, and transitional housing.	Each program will be evaluated and rated as separate proposals. The Emergency Shelter program will be rated against other Emergency Shelters; and the Transitional Housing project will be rated against other Transitional Housing projects. Scores will be averaged to result in total scoring as one application. Project Hope will either be funded to include both Emergency Shelter and Transitional Housing, or not be funded at all. If funded, this would result in one contract. <i>(Note: if one program does not meet eligibility requirements, only the program that is eligible can still be funded for the amount requested for that particular program.)</i>
	Applicant may submit separate applications for each project.	Each will be evaluated and rated as separate proposals. The Emergency Shelter will be rated against other Emergency Shelters, and the Transitional Housing project will be rated against other Transitional Housing projects. They will be competing against each other for funding for the regional allocation. One, both, or neither can be funded. This would result in two contracts.

Potential Budget Request Impacts:

HCD may determine that the budget submitted with the application will need to be reduced. This result may be due to any of the following:

- “Ineligible costs” included in FESG application budget.
- One or more of the programs are not eligible due to lack of evidence of site control or some other disqualifier.
- Cost calculation errors. Only reductions can be made; HCD will not increase the application’s budgeted-requested amount.
- Application was rated the lowest in their regional division (Northern, Rural, Southern, New Programs, and General) and were allocated the balance of available funds.

C. Special Limits

1. No more than 1 percent of the grant may be used for costs associated with Grant Administration.
2. No more than 10 percent of the grant may be requested for Supervisory Shelter Administration. (This is for the supervisor of staff within the approved “Operations” budget activity.)
3. Federal regulations limit Homeless Prevention activities to 30 percent of the total HUD allocation. This NOFA does not limit applicant’s Homeless Prevention requests to a maximum of 30 percent. Instead, HCD will monitor the aggregate amount funded for Homeless Prevention, and when the maximum 30 percent is reached, the next funded application requesting Homeless Prevention funds will be reduced to not exceed this 30 percent Federal limitation.

Federal regulations limit Essential Services activities to 30 percent of the total allocation. HCD has requested and anticipates receiving a waiver from HUD to increase this limit to 40 percent for the 2011 funding round. This NOFA does not limit the applicant’s Essential Services requests to a maximum of 40 percent. Instead, HCD will monitor the aggregate amount funded for Essential Services, and when this maximum amount is reached, the next funded application requesting Essential Services will be reduced to not exceed this limit on the use of the funds.

D. Funding

Within the applicable set-asides described earlier, FESG funds will be awarded to eligible organizations in descending rank order for the eligible amount requested in the corresponding eligible application until the remaining funds in each set-aside are insufficient to fully fund the next highest ranked application(s).

Partial funding of an application may occur if the application is ranked just above the funding cut-off line and:

1. The applicable allocation set-aside has been reached;
2. The federal limits for Essential Services or Homeless Prevention have been reached; and/or
3. There are certain costs within an application that are ineligible or inadequately described such that the application can not be fully funded.

Applicants are advised that if they are funded, their application itself is incorporated by reference into the Standard Agreement between HCD and the grantee. HCD will carefully examine an applicant's records at the time of grant monitoring to determine the accuracy of statements made in their application. If there has been any misrepresentation, HCD reserves the right, with reasonable notice, to cancel the grant and demand repayment.

After an application is approved for funding, any change in the program must be requested in writing to HCD. All changes are subject to HCD approval prior to implementation.

HCD must mail the FESG contracts to grantees for their signature within 65 days of the date HUD approves HCD's application for FESG funds. The time required to review and rank applications, and prepare contracts allows no additional time for appeals. Any failure to meet the 65-day time limit could result in the loss of all FESG funds to HCD. Therefore, HCD's funding decisions are final.

E. Expenditure and Obligation Deadlines:

1. HCD "Award Notification Letters" should be mailed to funded applicants by approximately October 10, 2011.
2. HCD Grant Agreement should be mailed to funded applicants approximately October 31, 2011.
3. Each application's Work Program under the approved Standard Agreement will terminate 12 months from the date the Standard Agreement is executed by both parties.
4. All FESG funds must be obligated within 180-days from the date of the "Award Notification Letter" from HCD.

"Obligated" means that the grantee or State recipient has placed orders, awarded contracts, received services, or entered similar transactions that require payment from the grant amount. "Obligated" includes grant amounts that a city or county awards to a nonprofit organization by a letter of award, if the letter of award requires payment from the grant amount. Documentation that funds have been obligated shall be evidenced by the grantee's submitting a request for reimbursement (Program Activity Report) to the Department or submitting accounting records, and other federally required reports used to report the grantee's expenditures.

Grantees failing to meet the 180-days obligation of funds requirement will be subject to grant termination and all grant funds will be disencumbered by HCD and made available for reallocation.

5. In addition to the obligation requirement, the grantee must incur expenditures by the obligation deadline. Expenditures must be documented by the grantee's accounting records, and other federally required reports used to report on the grantee's expenditures.
6. Grantees shall not expend any funds requiring reimbursement prior to **October 1, 2011** or the date the Standard Agreement is executed by HCD, whichever date is later; and no funds shall be expended until any required environmental review process, if applicable, has been completed to HCD's satisfaction.
7. All activities for which the grantee requests funds must have already been performed, (reimbursement-only basis) with the exception of activities paid for under the provisions of a grant advance.

VI. ELIGIBLE ORGANIZATIONS

A. Eligible Organizations are:

- Units of general local government, (cities and counties), which do not receive formula FESG funds directly from HUD;
- Nonprofit organizations applying for programs located in eligible cities or counties. NOFA **ATTACHMENT A** lists those eligible cities and counties, ("local governments"), known to HCD; and,
- Prior awardees who have an FESG grant that will terminate before **October 1, 2011**.

Organizations wishing to apply on behalf of shelters located in local governmental jurisdictions other than those listed in **ATTACHMENT A**, which the applicant believes are eligible under the definition stated in VI (A), (B), and (C), are advised to submit a written request for a determination to HCD prior to the submission of their application. Pursuant to federal regulations, nonprofit organizations must have their IRS 501(c) (3) tax-exempt determination at the time they apply for FESG funds.

- B. Experience Requirement: As of the publication date of the NOFA, an eligible organization must have provided FESG eligible activities continuously each day throughout the prior twelve (12) months (January 1, 2010 **through** December 31, 2010), or for winter or summer-only shelter providers, each day throughout the region's prior winter or summer shelter season. This requirement does not apply to organizations that apply as a New Program.
- C. Selected Populations: Facilities or programs exclusively serving a selected population of homeless persons must meet the following requirements:
- A State or federal law or regulation requires the FESG-funded facility or program to serve a selected homeless subpopulation exclusively; or
 - The nature of the physical facilities or the nature of services provided reasonably necessitates restriction of the facility or program to a particular subpopulation, consistent with State and federal Fair Housing Law.

See **ATTACHMENT C** for more information on serving selected populations with FESG funding.

VII. ELIGIBLE APPLICATIONS

- A. All applications will be reviewed for threshold compliance including eligibility and completeness before a rating review is completed.
- B. Eligible applications must be received by the deadline, **September 1, 2011, no later than 5:00 p.m.** at Department of Housing and Community Development, Division of Financial Assistance , Federal Emergency Shelter Grants Program, 1800 3rd Street-Room 390, Sacramento, California 95811. ***All applications must contain an executed "Certification of Application Information" within the application package***; this certifies that all information in the application is true, complete, and accurate.
- C. An application received on time may be deemed ineligible if:
- The application is incomplete;
 - The proposed activities are ineligible; or
 - The State is unable to reasonably determine what the applicant is proposing.

D. A complete application must include the following:

1. **Authorizing Resolution:** refer to **ATTACHMENT A** of the FESG application for Authorizing Resolution instructions and format.
2. **Evidence of Site Control**

Applicants requesting funds for emergency shelter, transitional housing, or renovation, conversion, or major rehabilitation must provide evidence of site control sufficient to implement the activities to be funded by the FESG grant for the entire term of the contract. Failure to provide adequate site control may disqualify an application. Evidence of site control must be submitted even if it has been submitted in previous applications, and even if the applicant owns the site.

Site control is defined as the legal right to occupy and use the site, as evidenced by such documents as:

- A deed demonstrating ownership in fee title. In cases where no street address is provided on the deed, please provide other evidence that the parcel number on the deed belongs to the street address for the site provided in the application.
- A lease demonstrating a leasehold interest in the site and its improvements. The lease must be for at least the term of the FESG grant.

In the case of a lease, the lease or option to lease must contain: permission to use the site for the purpose described in the application; use of the site for the term of the contract, the monthly rate, the address of the site(s), and be signed and dated by both the lessor and lessee.

- A purchase agreement.
- An enforceable option contract to purchase or lease which extends at least through the anticipated closing date of an FESG grant.
- For rotating shelter and voucher programs, site control may include other evidence provided by the applicant granting permission to use the site(s) for the term of the contract, the rate, the address of the site(s), and signed and dated by the authorized individual providing the site, and the applicant. The written document/agreement must be submitted by the applicant to HCD no later than seven days prior to the submittal of the application, for HCD approval. The written approval from HCD must be included in the application with the document.

- A confidential site must provide either the site address or a county assessor’s parcel number (APN) with the city, county and zip code provided for the site to be eligible for funds. Please ensure “confidential site” is indicated in the application for confidential handling by HCD.
 - Domestic Violence Shelters (DV) may request a waiver of site address disclosure. However, the city, county, and zip code must be provided for the site. **ATTACHMENT K** of the FESG application must be executed by the authorized person. As a condition of funding, all applicants requesting a DV site address waiver are required to provide HCD with an outline/copy of the organization’s confidentiality procedures. Such procedures shall reasonably demonstrate how the grantee systematically protects the confidentiality of its DV site(s) and clients.
3. **Certification of Local Approval - To be completed by nonprofit organizations.** (See **ATTACHMENT C** of the FESG application package.)

If the project is located in an FESG-eligible city, the Certification of Local Approval must be completed by the city where the project is located.

If the project is located in the unincorporated area of an FESG-eligible county, the Certification must be completed by the county where the project is located.

Organizations may apply for multiple shelters and programs located in more than one eligible city or county. However in this case, the Certification of Local Approval is required from each city or county where there is an office or site facility.

E. Matching Funds

Matching Amounts

Each recipient under this part shall be required to supplement the assistance provided from sources other than this part. Each recipient shall certify to HCD its compliance with this paragraph, and shall include with such certification a description of the sources and amounts of such supplemental funds. In calculating the amount of supplemental funds provided by a recipient under this part, a recipient may include the value of any donated material or building, the value of any lease on a building, any salary paid to staff to carry out the program of the recipient, and the value of the time and services contributed by volunteers to carry out the program of the recipient.

F. Changes to the Application

HCD may request clarification of unclear or ambiguous documents/ statements made in the application where doing so will not impact the neutral evaluation of the application. HCD may request that an applicant revise application documents, as necessary, to establish threshold compliance as long as such revisions do not alter competitive scoring. This includes, but is not limited to, adjustments made to the amount of funding requested in order to conform to the monetary funding limits as described in **SECTION V** of this NOFA.

In instances where an application ranks high enough to be funded but there is information missing from the application, HCD may request submission of the information that was omitted if the information existed prior to the application deadline, and the submission of the information is necessary for application completeness but does not alter competitive scoring. This may include information such as evidence of an applicant's status as a unit of general local government or private nonprofit corporation.

VIII. **ELIGIBLE FACILITIES**

A facility is defined as the physical location in which a FESG Program is being carried out including the offices used for Homeless Prevention activities. Any building for which FESG funds are used must meet all applicable federal, State, and local safety and sanitation standards.

A. Emergency Shelters

“Emergency Shelter” is any facility, including but not limited to day centers and overnight shelter, whose primary purpose is to provide temporary shelter with support services for the homeless, in general, or for specific populations of the homeless. Emergency overnight shelter is limited to occupancy of six months or less by a homeless person, and is not withheld due to a client's inability to pay.

An applicant may accept payment vouchers provided through any other public or private program for clients in Emergency Shelters, so long as no shelter beds are reserved beyond sundown for this purpose.

An applicant providing Emergency Shelter to clients cannot condition assistance on the payment of public or private vouchers or cash.

B. Transitional Housing

"Transitional Housing" means housing with supportive services limited to occupancy of up to 24 months that is exclusively designated and targeted for recently homeless persons. Transitional Housing includes self-sufficiency developmental services, with the ultimate goal of moving recently homeless persons to permanent housing as quickly as possible. Transitional Housing can include housing that becomes permanent housing with supportive services at the end of the FESG Grant Agreement.

1. Applicants providing Transitional Housing must limit occupancy to a maximum of two years.
2. Each client must be offered at least three types of self-sufficiency developmental services, including but not limited to, job counseling or instruction, personal budgeting or home economics instruction, tenant skill instruction, landlord/tenant law, victim's rights counseling, or apartment search skills instruction.
3. As a condition of receiving housing, each client is required to participate in at least one self-sufficiency developmental service offered by the Transitional Housing provider.
4. Every client must be provided referrals to permanent housing.
5. An applicant or State recipient, who provides transitional housing, may charge rent only if a minimum of 10 percent of all rent collected for each client is reserved to assist that client in moving to permanent housing.

An applicant or State recipient can request a waiver of this 10 percent set-aside requirement where the applicant or State recipient has demonstrated to HCD's satisfaction that its program is funded to provide assistance to all clients when they move into permanent housing, and that this assistance is funded from sources other than State FESG funds. This assistance can include such things as: assistance with security deposit, first/last month's rent, or household items. Such individual assistance provided to a client must equal at least 10 percent of all the rent collected from that client.

- (A) The reserve of rent for each client must be accounted for separately;
- (B) If rent reserved for a client remains unused due to the absence of the client for a year or more, the monies shall be used to assist another client in moving to permanent housing; and,

- (C) The rent and any service fees charged are limited to an ability-to-pay formula reasonably consistent with HUD's requirements for subsidized housing for low-income persons.

C. All FESG-funded facilities/programs must establish the following:

1. Rules for client participation – including the rules described below in subdivisions (A) through (D). These rules must be conspicuously posted at the housing facility or given to recipients of Homeless Prevention funds.
 - (A) A statement of the maximum consecutive number of days during which a client is eligible to participate in the program.
 - (B) The policy for disability-related issues, including the process for a client to request a reasonable accommodation, and procedures for filing a disability-related grievance.
 - (C) The policy for termination or denial from the program, and the process for client appeal of that termination or denial.

Per federal Emergency Shelter Grants (ESG) Regulations Section 42 U.S.C. 11375 (e), if an individual or family receiving assistance from an ESG grantee or subgrantee violates program requirements, the grantee or subgrantee may terminate assistance in accordance with a formal process established by the grantee or subgrantee which recognizes the rights of individuals or families affected. This process may include a hearing.

Every applicant must describe its termination/denial policy in its FESG application. Generally, policies should include at least the following elements: a progressive discipline warning system, written notices, a formal appeal process, and consideration of the appeal by someone not involved in the original termination. Stand-alone Homeless Prevention and voucher programs must also have an applicant denial/appeal policy.

- (D) For transitional housing only: a statement explaining that as a condition of receiving housing, each client is required to participate in at least one self-sufficiency development service offered by a transitional housing service provider.

2. Program Evaluation

All programs funded by FESG must have a process for evaluation of their program requesting FESG funds.

3. Confidentiality Policy for the Provision of Family Violence Services

The federal ESG Regulations, 42 U.S.C. 11375 (c) (5), require that HCD develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services. **ATTACHMENT E** of the FESG application, "Statement of Confidentiality for Victims of Domestic Violence", shall apply. Additionally, **ATTACHMENT L** of the FESG application, "Confidentiality Procedure of Applicant", shall apply.

The address or location of family violence shelters funded by FESG may not be made public without the permission of the shelter provider. HCD will tag those departmental files containing any such confidential addresses, and note within the file that the shelter address shall not be made public. The site address will not be included in the departmental database. **ATTACHMENT K** of the FESG application, "Confidential Site Location Designation Agreement", shall apply.

4. Homeless Participation

Section 42 U.S.C. 11375 (c) (7) states, homeless individuals and families should be involved in the construction, renovation, maintenance, and operation of the facilities and activities funded by FESG, including the provision of program services. Every applicant must describe in their application their policy for involvement of homeless persons in providing work or services.

The applicant must involve at least one homeless or formerly homeless person on the organization's board of directors, or an equivalent policymaking entity of the applicant, to the extent that such entity considers and makes policies and decisions regarding any project, supportive service, or assistance provided under the program.

5. Limited English Proficiency Plan

All applicants should refer to The Department of Housing and Urban Development (HUD) guidelines on Limited English Proficiency (LEP) located at public website: <http://www.hud.gov/offices/fheo/promotingfh/lep.cfm>

For further details on HUD final guidance the Federal Register is available at: <http://www.lep.gov/selfassesstool.htm>

2. Shelter Staff

Operations expenses can include the costs of staff directly operating the shelter. This includes staff expenses for security, maintenance and repair.

Pursuant to HUD's Homeless Management Information Systems (HMIS) Final Notice regarding the Data and Technical Standards the costs of staff performing intake for HMIS purposes can be an Operations expense.

Operations expenses **do not** include ineligible activities such as fundraising, grant-writing, and general administration, or costs of staff engaged in Essential Services, Homeless Prevention, and/or Renovation/Rehabilitation/Conversion activities. These costs must be paid from the applicable funding category, (i.e., Essential Services, Homeless Prevention, or Renovation, Rehabilitation, and Conversion).

3. Non-staff Operation Costs

Funds may be used to pay for other ongoing non-staff operational costs to be incurred at the shelter location, such as shelter rent/lease costs, equipment, repair/maintenance supplies, food for shelter residents including contracted meals (not staff costs), insurance, utilities, furniture, and linens.

The cost associated with an HMIS program (i.e., purchase of hardware and software) is an eligible Operations expense.

4. Vouchers

Vouchers used to lease or rent temporary housing are considered an Operations expense. Vouchers for temporary housing are subject to the following requirements:

- (A) Eligible temporary housing includes apartments, motel rooms, hotel rooms, rental rooms in single-room occupancy housing, single-family homes, and manufactured housing.
- (B) Vouchers for temporary housing may be used to pay rental fees for spaces at a special occupancy park which includes a recreational vehicle park, temporary recreational vehicle park, incidental camping area, or tent camp.
- (C) Payment of rent must be at a rate that is reasonable based on local market conditions. Rent charged to voucher holders cannot exceed market rent for comparably sized units or spaces.

(D) Vouchers must only be used for:

- (i) temporary housing located in an FESG-eligible city that is in the county in which the FESG funds have been awarded, or
- (ii) temporary housing located in an unincorporated area of an FESG-eligible county in which the FESG funds have been awarded.

(E) Temporary housing with vouchers is limited to six months occupancy or less by a homeless person or household.

Applications from nonprofits proposing voucher programs must include **ATTACHMENT C** of the application package, "Certification of Local Approval", from the FESG-eligible localities where the vouchers will be used.

C. Essential Services

1. Definition of Essential Services

Essential Services are defined at 24 CFR Section 576.3 to include "services concerned with employment, health, drug abuse, and education and may include (but are not limited to): assistance in obtaining permanent housing; medical and psychological counseling and supervision; employment counseling; nutritional counseling; substance abuse treatment and counseling; assistance in obtaining other Federal, State, and local assistance including mental health benefits, employment counseling, medical assistance, veteran's benefits, and income support assistance, such as Supplemental Social Security Income benefits, Aid to Families with Dependent Children, General Assistance, and Food Stamps; other services such as child care, transportation, job placement and job training; and staff services necessary to provide the above services".

Transportation activities related to homeless services are considered to be Essential Services.

Essential Services funds are intended to pay for direct client services.

2. Federal Nonsupplant Requirement

Regarding Essential Services costs, HUD regulations 24 CFR 576.21 state that FESG funds can be used for a new service or a quantifiable increase in the level of service above that provided with local government funds during the immediately preceding 12-month period before the grantee received the initial FESG grant amount.

This provision prohibits using FESG funds to replace existing local government funding of services. However, once a new or increased level of

service meets the above standard, FESG funds may be used to continue funding that service in subsequent years. Applicants will be required to certify that the requested Essential Services funds meet the above non-supplant requirement.

3. Federal Limitation on the award of FESG funds for Essential Services

The federal regulations limit Essential Services activities to 30 percent of the total allocation. HCD shall request and anticipates receiving a waiver from HUD to increase this limit to 40 percent for the **2011** funding round. This NOFA does not limit applicant's Essential Services requests to a maximum of 40 percent. Instead, HCD will monitor the aggregate amount funded for Essential Services, and when this maximum amount is reached, the next funded application requesting Essential Services will be reduced so as not to exceed this limit on the use of the funds.

D. Homeless Prevention

HUD allows Homeless Prevention funds to be obligated and expended within the same time periods as other FESG major activity line items. Homeless Prevention funds may be used to provide residential rental assistance or utility assistance. Residential rental assistance may be used for rent payments in arrears or initial rent.

Prior to providing rent payments in arrears or initial rent, the FESG grantee must verify through a written application that:

- a) The client is eligible to participate in the program and has income sufficient to pay the monthly rent once the residential rental assistance terminates, and
- b) An appropriately sized and priced rental unit is available and suitable for occupancy by the client.

The FESG grantee must also provide information to clients regarding the landlord/tenant relationship, including appropriate treatment of rental property, appropriate behavior within the neighborhood, and the importance of timely rental payments. Staff must also be available to landlords and tenants to address questions or complaints about the residential rental assistance.

Case management services in a Homeless Prevention program are considered eligible costs under "Essential Services" budget category only.

Beneficiaries of Homeless Prevention programs must live in, or be moving into, homes that are located in FESG eligible localities.

FESG funds used for residential rental assistance must be accounted for separately. Any interest earned on the FESG funds advanced to the grantee and set aside for rental assistance must be continuously credited to this account, and returned to HUD pursuant to federal grants management requirements. All

FESG funds for rental assistance must be distributed directly to the landlord.

1. Payments in Arrears

Residential rental assistance used for rent payments in arrears cannot exceed one month's rent plus a reasonable late charge, and must meet the following requirements:

- a) The inability of the family to make the required rent payments due to a sudden reduction in income;
- b) The assistance is necessary to avoid eviction;
- c) No other resources are available to pay the rent in arrears;
- d) There is a reasonable prospect that the family will be able to resume rent payments within a reasonable period of time; and,
- e) The family has not received more than one payment for rent in arrears in the immediate past two years from any other source.

2. Initial Rent

Initial rent used to assist clients moving into permanent housing cannot exceed first/last month's rent, or both if required as a condition of occupancy. FESG funds may only be used if:

- a) No other resources or assistance is available for payment of initial rent;
- b) The client has not received more than one payment of initial rent in the immediate past two years from any other source; and,
- c) There is a reasonable prospect that the client will be able to make rent payments on their own within a reasonable period of time.

3. Utility Assistance

Utility assistance is also an eligible activity under Homeless Prevention. The utility assistance cannot exceed three months past due utility payments plus a reasonable late charge. FESG funds may be used only if:

- a) The client is unable to pay the utility costs in arrears due to a sudden reduction in income, and has received a notice of termination of these utility services;
- b) No other resources or assistance is available to pay the utility costs in arrears;
- c) The client has not received more than one payment of utility assistance in the immediate past two years from any other source; and,

- d) There is a reasonable prospect that the client will be able to make utility payments on their own within a reasonable period of time.

Eligibility determinations for utility assistance must be based upon a client's written application in order to determine the client's need for the assistance, and the ability to remain permanently housed after the FESG assistance is provided.

FESG funds used for utility assistance shall be accounted for separately. Any interest earned on the FESG funds advanced to the grantee and set aside for utility assistance must be continuously credited to this account, and returned to HUD pursuant to Federal grants management requirements. All FESG funds for utility assistance must be distributed directly to the utility company.

4. Persons Discharged from Institutions

Homeless Prevention funds may also be used to provide up to three months of initial rent and/or utility assistance to individuals whose income does not exceed 50 percent of the Area Median Income and who are discharged from publicly funded institutions or systems of care, such as health care facilities, foster care facilities, other youth facilities, or corrections programs and institutions.

5. Legal Services

Legal services programs for the representation of indigent tenants in eviction proceedings are also eligible under Homeless Prevention.

6. Federal Limitation on the award of FESG funds for Homeless Prevention

The Federal Regulations limit Homeless Prevention activities to 30 percent of the total allocation. This NOFA does not limit applicant's Homeless Prevention requests to a maximum of 30 percent. Instead, HCD will monitor the aggregate amount funded for Homeless Prevention, and when this maximum amount is reached, the next funded application requesting Homeless Prevention will be reduced so as not to exceed this limit on the use of the funds.

7. Federal Nonsupplant Requirement

Regarding Homeless Prevention funding, Section 42 U.S.C. 11374(a)(4)(D) states that efforts to prevent homelessness with FESG funds may be used "if the assistance will not supplant funding for preexisting homelessness prevention activities from other sources." This applies to funding for the immediately preceding 12-month period before the grantee receives the initial

FESG grant amount.

This provision prohibits using FESG funds to replace existing funding of services. However, once a new or increased level of service meets the above standard, FESG funds may be used to continue funding that new or increased service in subsequent years. Applicants will be required to certify that the requested Homeless Prevention funds meet the above nonsupplant requirement.

E. Supervisory Shelter Administration

Supervisory Shelter Administration may be used to pay salary and benefits costs for supervisors who supervise direct shelter or program staff paid under the “Operations” Activity.

Supervisory Shelter Administration is limited to 10 percent of the total grant award amount.

F. Grant Administration

Certain Grant Administrative expenses are eligible, not to exceed one percent of the total grant amount. Eligible grant administrative expenses are only those necessary to administer the FESG grant, not to administer or operate the shelter. Specific Grant Administrative expenses include: staff costs to prepare FESG reports, to communicate with FESG staff, and to pay for the FESG share of a required audit; and staff costs associated with processing accounting records and billings. The administrative costs associated with implementing and operating a Homeless Management Information Systems (HMIS), such as report preparation, are eligible costs under Grant Administration.

NOFA **ATTACHMENT B** describes the type of duties for each eligible category of staff expenses. Costs of individual staff members may be paid from more than one major activity line item, if their FESG-eligible duties fall within more than one major activity line item. For example, expenses for a project manager may come from Supervisory Shelter Administration for managing/supervising “Operations” staff and from Essential Services for case management work with residents. Applicants requesting funding for staff costs must clearly show in the application the percentage of time spent for each activity noted above, by each employee’s classification for which FESG funds are being requested.

For staff paid with both FESG and other funding, the applicant’s accounting records must clearly show the salaries/benefits for each employee for each time period where FESG funds are used. Timesheets that document the time and activities charged to FESG are required for any staff person paid, in whole or in part, with FESG funds.

XI. INELIGIBLE ACTIVITIES

Pursuant to the California Regulations, FESG Program, Section 8406, ineligible uses of FESG funds also include the following:

1. The purchase of radios, televisions, and other appliances or equipment for recreational purposes.
2. Facilities in which occupancy fees are charged to clients of emergency shelters.
3. Off-site costs, special requirements, assessments, or anything more than directly necessary for the development of an emergency shelter or transitional housing.
4. On-site improvements or other expenses beyond those directly necessary for the development or operation of the Emergency Shelter or Transitional housing facility including retaining walls, fencing, storage sheds, shade structures, playground equipment, parking lots, and landscaping.
5. Temporary housing for minor children separated from their families due to a court or administrative order.
6. Acquisition, predevelopment activities, new construction activities, or property clearance or demolition.
7. Services to persons who are not homeless, except when providing Homeless Prevention activities.
8. Telephone hotline costs.
9. Staff recruitment or training.
10. Costs associated with advocacy, fundraising, or planning, including HMIS planning and development costs.

XII. APPLICATION RATING CRITERIA

The FESG rating categories are below:

RATING CATEGORY	MAXIMUM POINTS
Applicant Capability	300
Need for Funds	100
Impact and Effectiveness	250
Cost Efficiency	100
State Objectives	35
Maximum Score	785

The individual rating factors within each category are summarized as follows:

A. Applicant Capability (Maximum 300 Points)

- The number of years the applicant has been providing housing and services for the homeless. *(Maximum 30 Points)*
- The applicant’s experience operating the proposed program or a similar program. *(Maximum 30 Points)*
- The process utilized by the organization to evaluate the program. Points will be awarded for this factor based on the frequency of evaluation, the degree of involvement of clients and staff in the evaluation process, and the impact of the evaluation process on the program. Applicants that provide supporting documentation of their evaluation process and outcomes will receive more points for this rating factor. *(Maximum 30 Points)*
- The applicant’s experience administering other Federal housing grants including, but not limited to, other FESG Grants. *(Maximum 30 Points)*
- The relative number of years of experience “key staff” have been working in the program or related experience. *(Maximum 60 Points)*
- The proposed ratio of clients to key staff. “Key staff” consists of the organization’s staff and volunteers that provide “direct client services” for the project for which FESG funds are being requested. Volunteers may be included in the ratio provided they work directly with clients and there is a duty statement (job description) acceptable to HCD. *(Maximum 60 Points)*
- Whether the applicant has any unresolved monitoring findings or concerns from previous FESG grants in no more than the previous four years. *(Maximum 20 Points)*

- Whether the applicant has submitted required reports in a timely manner for previous FESG grants awarded in no more than the previous four (4) years. *(Maximum 20 Points)*
- Whether the applicant has obligated and expended funds in a timely manner for previous FESG grants awarded in no more than the previous four (4) years. *(Maximum 20 Points)*
- Negative points for disencumbrances or contract terminations. *(Deduction of 20 Points Maximum)*

B. Need for Funds (Maximum 100 Points)

- Applicants with the highest percentage of FESG funds compared to other sources of funding in the proposed program budget will receive more points for this rating factor. Other sources of funding will be considered to establish the points received. *(Maximum 50 Points)*
- The relative need for the applicant’s housing type as certified by a local county-wide entity dealing with homelessness. *(Maximum 50 Points)*

C. Impact and Effectiveness (Maximum 250 Points)

HCD requires documentation of numerical outcomes of client success for the period of January 1, 2010 through December 31, 2010. This data must correspond with the information provided in the **FESG application, Section C, Impact and Effectiveness, questions 10-14**. If the documentation does not substantiate the information provided in the application, then the applicant will be scored a zero for each unsubstantiated response. Examples of documentation may include: HMIS Summary reports, copies of client outcome lists as submitted to the organization’s Board of Directors or client outcome lists created in the excel format.

Documentation submitted in support of answers to questions 10-14 shall be “highlighted”. Client confidentiality must be maintained on all documents submitted.

- The number of services offered to **all** homeless persons and the accessibility of those services. *(Maximum 60 Points)*
- In the last 12 months, the percentage of **all** clients who have exited the program and moved upward along the continuum of care into emergency, transitional, or permanent housing. *(Maximum 60 Points)*
- In the last 12 months, the percentage of **adult clients** who, as a result of their participation in the applicant’s program, have obtained or retained employment. *(Maximum 30 Points)*

- In the last 12 months, the percentage of **adult clients** who, as a result of their participation in the applicant's program, have obtained other income such as Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), or county general assistance. *(Maximum 30 Points)*
- In the last 12 months, the percentage of **adult clients with a mental illness or chemical addiction** who, as a result of their participation in the applicant's program, have stabilized a mental illness or chemical addiction for a minimum of 90-days for transitional housing programs, and 30-days for all other programs. Agencies with formal collaborative relationships with agencies that provide mental illness and or chemical addiction services can report on the stabilization rates of their clients through these agencies. *(Maximum 30 Points)*
- Whether the applicant is a participant in a local planning process for the community-wide continuum of care or other homeless housing and supportive services plan as evidenced by documentation. *(Maximum 40 Points)*

D. Cost Efficiency (Maximum 100 Points)

- The relative cost efficiency of the proposed use of FESG funds as measured by the cost per bed per month, or cost per household served per month. Essential Services costs will not be factored into a program's cost efficiency calculation. Only programs of the same housing-type will be compared with one another for purposes of this rating factor. *(Maximum 60 Points)*
- Bed capacity (defined as the total number of beds and cribs regularly in use) shall be documented in the form of schematics or floor plans for Emergency Shelters and Transitional Housing Facilities showing the placement of beds and cribs or, for Voucher Programs, typical motel room floor plans showing bed/crib arrangements. Maximum bed utilization is strongly recommended. Points will be deducted if bed usage falls below 90 percent of bed capacity. *(-Deduction of 10 Points Maximum)*
- The applicant's level of coordination with other organizations to operate the applicant's program.

Letters of coordination efforts should be submitted on letterhead and include current details of collaboration, dates, and original signature(s).

(Maximum 40 Points)

E. State Objectives (Maximum 35 Points)

- In line with the Federal goal of ending chronic homelessness by 2012, programs serving the Chronically Homeless shall receive State Objective points.

Pursuant to the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, as amended by S. 896, “chronically homeless” means, with respect to an individual or family, that the individual or family—(i) is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter; (ii) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last three years; and (iii) has an adult head of household (or a minor head of household if no adult is present in the household) with a diagnosable substance use disorder, serious mental illness, developmental disability (as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of 2 or more of those conditions.

- Projects that serve any of the following under-served counties shall receive State Objective points: Siskiyou, Modoc, Lassen, Plumas, Sierra, Mariposa.
- Projects that serve Homeless Veterans as part of a “targeted” population.

XIII. FEDERAL OVERLAYS

A. Limitations for Primarily Religious Organizations

Primarily religious organizations may receive FESG funds if they agree to provide all eligible activities under this program in a manner that is free from religious influences, and in accordance with 24 CFR 576.23.

Emergency shelter grants may not be used for the rehabilitation of structures to the extent that those structures are used for inherently religious activities. Emergency shelter grants may be used for the rehabilitation of structures only to the extent that those structures are used to conduct eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, emergency shelter grants may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the federal cost accounting requirements applicable to emergency shelter grants in this part. Sanctuaries, chapels, or other rooms that an FESG-funded religious congregation uses as its principal place of worship are ineligible for FESG-funded improvements. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition, (see 24 CFR parts 84 and 85, as applicable).

B. Nondiscrimination and Equal Opportunity

Use of grant funds must comply with all applicable federal and State Civil Rights Laws and implementing regulations, including but not limited to Title VIII of the Civil Rights Act of 1968, Title VI of the Civil Rights Act of 1964, Executive Order 11063, the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, Executive Order 11246, and Section 3 of the Housing and Urban Development (HUD) Act of 1968.

In addition, consistent with all applicable executive orders, grantees must make efforts to encourage the use of minority and women businesses in connection with grant activities. Every effort should be made to ensure that services and facilities are accessible to persons with disabilities, and reasonable accommodation is made for them.

C. Grant Management Practices

Nonprofit grantees must comply with Federal grant management standards in 24 CFR Part 84. Local government grantees must comply with Federal grants management standards in 24 CFR Part 85. These standards relate to, among other things, the allowable costs, procurement of equipment and services, cash deposits, bonding and insurance, records retention, financial systems, use of debarred, suspended, or ineligible contractors, and audits. HCD staff will assist all grantees to meet these provisions.

D. Procurement Requirements

Purchases by nonprofits are governed by the regulations at 24 CFR Part 84. Purchases by local government agencies are subject to the regulations at 24 CFR Part 85.

Small Purchases: For the procurement of services, supplies, or other property that does not cost more than \$100,000, grantees may utilize “small purchase procedures” and obtain price or rate quotations from an adequate number of qualified sources without going through a formal bid process. File documentation must be retained for FESG monitoring visits.

Purchases over \$100,000: Contact HCD staff if you anticipate a purchase of this size.

The guidelines on procurement are summarized as follows:

1. Grantees are allowed to use their own procurement procedures as long as those procedures conform to the provisions in 24 CFR Parts 84 and 85, as applicable.
2. Grantees must maintain a system to handle disputes, protests, and other

matters arising out of its contracts; maintain a code of conduct to prevent conflicts of interest, (personal, financial, and organizational); and use solicitations which are clear, and accurately describe the materials, products, or services being procured.

3. Grantees must use some form of cost or price analysis in connection with each of its procurements. Grantees must be able to justify procurements awarded on a non-competitive basis, and those awarded on a basis other than the lowest responsible bid.
4. Grantees must initiate positive efforts to use small and minority-owned businesses to the maximum extent possible, include all applicable contract provisions in contracts, and not use “cost plus percentage-of-cost” contracts.

E. Building Standards

Any building for which FESG funds are used must meet all applicable federal, state, and local safety and sanitation standards. If renovation, conversion, or major rehabilitation funds are requested, the application must demonstrate that the building will meet the applicable building standards upon completion of the work. Under the Residential Lead-Based Paint Hazard Reduction Act of 1992, any building that is rehabilitated, maintained, or operated with Federal funds must follow specific requirements to eliminate any lead-based paint hazards. Contact FESG staff for guidance.

F. Environmental Requirements

Grantees must complete the environmental requirements set forth in 24 CFR Part 58 within a reasonable time period after notification of the FESG grant award. Recipient states and units of local government must comply with the provisions listed in 24 CFR 58.5. In the case of FESG grants to cities and counties, the unit of general local government shall be the “responsible entity”, and HCD will assume HUD's functions with regard to the release of funds and review of the environmental documents. In the case of FESG grants to nonprofits, HCD shall be the “responsible entity”, and HUD will perform review functions as necessary.

There are three common categories of projects. Each of these has different environmental requirements.

1. Projects which consist solely of Essential Services, Shelter Administration, Homeless Prevention, Grant Administration, and Operations.

If these projects will have no physical impact on a structure or property, regardless of funding source, no environmental research is required.

2. Projects which either a) request FESG funding for rehabilitation, major renovation, or conversion, or b) which will have a physical impact on a structure or property (regardless of funding source), which do not also meet

the characteristics of requirement #3, below.

For these projects, Pages I-1 through I-4, Environmental Review Documents, of Section V, Sub-Section I of the FESG Application must be completed by the environmental review officer for the incorporated city in which the shelter is located or, if it is located in an unincorporated area, for the county in which the shelter is located.

3. Projects which meet the characteristics of requirement #2, above, AND
 - a) Which will increase the number of beds by more than 20 percent; or,
 - b) Which involve changes in land use from one category of use to another; or,
 - c) Where the estimated cost of rehabilitation is equal to or greater than 75 percent of the total estimated cost of replacement after rehabilitation.

A more extensive environmental review is required for these projects. Please consult with FESG staff for more information.

No rehabilitation or conversion project funded by FESG can involve adverse alterations to:

- 1) Property listed on the National Register of Historic Places;
- 2) Property deemed eligible for the register;
- 3) Property in a historic district; or,
- 4) Property immediately adjacent to such property.

Also, activities cannot take place in any 100-year floodplain as designated by the Federal Emergency Management Agency unless flood insurance is obtained. Finally, activities cannot jeopardize the continued existence of endangered or threatened species.

For all funded applications, HCD will inform the applicant of any required additional environmental research. HCD may need to visit the shelter site.

G. Relocation Requirements

Grantees must minimize the displacement of persons as a result of a project assisted with FESG funds. Contact FESG staff for guidance on federal and state relocation requirements if you think displacement will occur with your project before taking any action to displace.

H. Access for Persons with Physical Disabilities

For projects of 15 or more beds, (or capacity of 15 or more persons in day centers), where rehabilitation costs are 75 percent or more of the replacement cost of the building, the project must meet the requirements of 24 CFR 8.23(a) relating to handicap accessibility. If the rehabilitation costs are less than 75 percent of the replacement cost of the building, the project must meet the requirements of 24 CFR 8.23(b).

XIV. DRAWDOWN AND FINANCIAL MANAGEMENT

Requests for drawdown of grant amounts should be made on current forms provided by HCD. (See www.hcd.ca.gov/fa/fesg.) Only costs incurred after the execution date of HCD's Standard Agreement, will be reimbursed by HCD. No costs incurred after the expiration date of the Standard Agreement shall be reimbursable.

After the Standard Agreement is executed, an advance may be requested. Except for Renovation, Conversion and Major rehabilitation activities, State FESG regulations allow for an advance of up to 30 days cash needs or \$5,000 whichever is greater. The advance request must be based on a realistic estimate of designated activities. One advance is allowed and must be requested within 60 days of the start of the grant term. If a grantee requests an advance of up to 30-days cash need for the first month, a supported financial expenditure detail sheet shall be submitted by the 30th day of the end of the advance period. Grantees may request reimbursement monthly or quarterly.

The grantee shall not make payments for costs it has incurred until it receives invoices, purchase orders, or other written, auditable requests from the appropriate parties, and these requests for payment are recorded in the grantee's official financial records. Assistance in meeting federal financial management requirements will be provided to grantees, by HCD, via an on-line Grants Management Workshop presentation in November 2011.

If an organization receives \$500,000 or more in federal financial assistance, current Federal Audit Requirements require a single audit pursuant to the Single Audit Act, OMB Circular A-133.

ATTACHMENT A – PART 1

2011 STATE FESG PROGRAM ELIGIBLE COUNTIES

Facility/program eligibility is based on the physical location of the facility or operational base of the program. It is not based on the clients served, or the location of the grantee's office.

All counties listed on this page are eligible to apply for state FESG funds, including the cities and nonprofit shelters within these counties, except where noted.

NORTHERN CALIFORNIA ALLOCATION REGION

Butte County
Marin County
Merced County
Monterey County (All cities eligible to apply except Salinas)
Placer County
Santa Clara County (All cities eligible to apply except San Jose)
Santa Cruz County
Solano County
Tulare County

SOUTHERN CALIFORNIA ALLOCATION REGION

None identified for 2011

RURAL ALLOCATION REGION

Alpine County
Amador County
Calaveras County
Colusa County
Del Norte County
El Dorado County
Glenn County
Humboldt County
Imperial County
Inyo County

Kings County
Lake County
Lassen County
Madera County
Mariposa County
Mendocino County
Modoc County
Mono County
Napa County
Nevada County
Plumas County

San Benito County
Shasta County
Sierra County
Siskiyou County
Sutter County
Tehama County
Trinity County
Tuolumne County
Yolo County
Yuba County

**ATTACHMENT A – PART 2
2011 ELIGIBLE CITIES IN INELIGIBLE COUNTIES**

Facilities/programs located in ineligible counties are eligible ONLY if they are physically located in the city limits of one of the following incorporated cities. Facilities/programs located in other cities in these counties are not eligible. Facilities/programs located in the unincorporated areas of these counties are not eligible.

SOUTHERN CALIFORNIA ALLOCATION REGION		
<p><u>KERN</u> Delano Maricopa Taft Wasco</p> <p><u>LOS ANGELES</u> Alhambra Artesia Baldwin Park Bellflower Burbank Carson Downey Gardena Glendora Hawthorne Hidden Hills Huntington Park Industry La Canada Flintridge Lakewood Lancaster Lynwood Montebello Monterey Park Norwalk Palmdale Palos Verdes Estates Paramount City Pico Rivera Redondo Beach Rosemead Santa Clarita Santa Monica Torrance Vernon West Covina Whittier</p>	<p><u>ORANGE</u> Buena Park Costa Mesa Fountain Valley Fullerton Huntington Beach Irvine La Habra Laguna Niguel Lake Forest Mission Viejo Newport Beach Orange (City) Rancho Santa Margarita San Clemente San Juan Capistrano Tustin Westminster</p> <p><u>RIVERSIDE</u> Calimesa Coachella Corona Hemet Indian Wells Indio Manifee Moreno Valley Palm Desert Palm Springs Perris Rancho Mirage</p>	<p><u>SAN BERNARDINO</u> Apple Valley Chino Chino Hills Hesperia Rancho Cucamonga Redlands Rialto Upland Victorville</p> <p><u>SAN DIEGO</u> Carlsbad El Cajon Encinitas Escondido La Mesa National City Oceanside San Marcos Santee Vista</p> <p><u>SAN LUIS OBISPO</u> Morro Bay Pismo Beach</p> <p><u>SANTA BARBARA</u> Goleta Guadalupe Santa Barbara (City) Santa Maria</p> <p><u>VENTURA</u> Camarillo San Buenaventura Simi Valley Thousand Oaks</p>

**ATTACHMENT A – PART 2
2011 ELIGIBLE CITIES IN INELIGIBLE COUNTIES**

Facilities/programs located in ineligible counties are eligible ONLY if they are physically located in the city limits of one of the following incorporated cities. Facilities/programs located in other cities in these counties are not eligible. Facilities/programs located in the unincorporated areas of these counties are not eligible.

NORTHERN CALIFORNIA ALLOCATION REGION		
<p><u>ALAMEDA</u></p> <p>Alameda (City) Fremont Hayward Livermore Pleasanton San Leandro Union City</p> <p><u>CONTRA COSTA</u></p> <p>Antioch Concord Pittsburgh Richmond Walnut Creek</p>	<p><u>FRESNO</u></p> <p>Clovis Firebaugh Huron Orange Cove Parlier San Joaquin</p> <p><u>SACRAMENTO</u></p> <p>Citrus Heights Elk Grove Rancho Cordova</p> <p><u>SAN JOAQUIN</u></p> <p>Lodi</p>	<p><u>SAN MATEO</u></p> <p>Daly City Redwood City San Mateo (City) So. San Francisco</p> <p><u>SONOMA</u></p> <p>Petaluma Santa Rosa</p> <p><u>STANISLAUS</u></p> <p>Riverbank Turlock</p>

ATTACHMENT B

GUIDE FOR DETERMINING FUNDING CATEGORY OF STAFF

BY ACTIVITIES

ACTIVITY	OPERATIONS	ESSENTIAL SERVICES	HOMELESS PREVENTION	SUPERVISORY SHELTER ADMIN.	GRANT ADMIN.
Counseling, case management		X			
Supervision of Essential Service staff for client related issues		X			
Patrol inside/outside of shelter	X				
Cleaning, repairs, building maintenance	X				
Shelter set-up Directing people to beds, bathroom facilities, meals, or other in-shelter facilities Gathering information from clients; Intake activities	X				
Direct supervision of staff in the "Operations" category				X	
Preparing reports to the HCD; Asking questions of HCD; Assisting HCD monitoring staff; Accounting for expenditure of FESG funds; Preparing FESG audits; and/or HMIS Administration					X
Direct supervision of case managers in "Homeless Prevention" program.				X	
Administer a Homeless Prevention program, e.g., interview applicants, determine eligibility, and make payments		X			
Provide services specific to Homeless Prevention (e.g., provide legal representation and rent mediation)		X			
HMIS Report Intake; Hardware and Software Purchase	X				

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

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**ATTACHMENT C****SERVING SELECTED POPULATIONS WITH FESG FUNDING
January 2011**

The following is a guide for shelter providers seeking to serve selected populations using Federal Emergency Shelter Grants (FESG) funds administered by this Department.

Legal Requirements:

Generally, service to selected populations must comply with a variety of legal requirements, including the 14th Amendment to the U. S. Constitution, the U. S. Fair Housing Act (and amendments of 1968 and 1988), the California Fair Employment and Housing Act and the California Unruh Civil Rights Act. Depending on the circumstances, other statutes may apply, including Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990. Additionally, there are specific applicable provisions of the Federal FESG Regulations (24 CFR Part 576). Given the potential overlap of legal requirements, facilities and programs interested in applying for State FESG funds should consult an attorney to identify the specific applicable requirements for serving any selected population of clients.

State Requirements Applicable to FESG Funds

Pursuant to eligibility requirements for the State FESG Program and case law for the Unruh Civil Rights Act which prohibits all arbitrary discrimination, facilities and programs receiving State FESG cannot choose their clients in a manner that denies the benefits of the facility or program on an arbitrary basis or illegally discriminates.

Under Unruh, discrimination is considered non-arbitrary if the nature of the physical facilities or the nature of the services provided reasonably necessitates a particular restriction. Because whether a facility or program is in compliance with Unruh is a fact driven question, applicants and contractors are encouraged to consult their own legal counsel regarding this issue.

Alternatively, if a State or Federal law or regulation requires an FESG facility or program to exclusively serve a select homeless subpopulation; such a restriction would not be considered arbitrary.

ATTACHMENT C

Page 2 of 2

Selecting Clients on the Basis of Age

Service to homeless youth that meets the requirements of Government Code Section 11139.3 would not be considered arbitrary discrimination under the State FESG Program.

Government Code Section 11139.3 authorizes the provision of housing for homeless youth, and does not consider such service unlawful age discrimination. This Section shall not be construed to permit discrimination against families with children.

Homeless youth is defined under Government Code Section 11139.3 as either of the following:

Persons 18-24 years of age who (i) have run away from home or who (ii) are no longer eligible for foster care on the basis of age or who (iii) are homeless, or "at risk of becoming homeless". "At risk of becoming homeless" means facing eviction or termination of one's current housing situation;

OR

Persons less than 18 years of age who are emancipated pursuant to Part 6 (commencing with Section 7000) of Division 1 of the Family Code, and who are homeless or "at risk of becoming homeless" as defined above.

Under Government Code Section 11139.3, housing for homeless youth includes emergency, and transitional housing tied to supportive services that assist homeless youth in stabilizing their lives and developing the skills and resources they need to make a successful transition to independent, self-sufficient adulthood.

Hence emergency and transitional housing facilities receiving State FESG funds, may serve homeless youth if such service meets the requirements of Government Code Section 11139.3.

If there are any questions regarding these issues, please contact the HCD Homeless Programs at (916) 445-0845.

ATTACHMENT D

FESG PROGRAM CONTACT LIST

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