



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 20-859

Board Meeting Date: 11/10/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Raymond Hodges, Director, Department of Housing

Subject: Second Allocation of State of California Emergency Solutions Grants Coronavirus (ESG-CV) Funding

RECOMMENDATION:

Adopt a resolution:

- A) Authorizing and directing the Department of Housing to accept an amount not to exceed \$12,872,664 in State of California Emergency Solutions Grants Coronavirus (ESG-CV) funding and award that funding to qualified service providers through a process that meets the requirements of State ESG Regulations, with adjustments to be made to individual awards on a pro rata basis once final allocations have been confirmed; and
- B) Authorizing and directing the Director of the Department of Housing, or the Director's designee, to execute a Standard Agreement with the State and any subsequent amendments, documents, and modifications, which are related to the ESG Program or ESG-CV Funds, and to execute contracts with awardees.

BACKGROUND:

The State of California Department of Housing and Community Development (HCD) administers the Emergency Solutions Grants (ESG) program with funding received from the U.S. Department of Housing and Urban Development (HUD). The federal ESG program provides funding to (1) engage homeless individuals and families living on the street; (2) increase the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents; and (5) prevent families/individuals from becoming homeless.

Under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted on March 27, 2020, HCD will receive funding from HUD in the amount of approximately \$42 million in federal funds for the ESG program. These funds are referred to as the ESG-Coronavirus (ESG-CV) funds. HCD released its first 2020 Notice of Funding Availability of ESG-CV funds on June 1, 2020. ESG-CV funds are being provided for the following priorities:

- Prevention of, preparation for, and response to coronavirus among individuals and families who are experiencing homelessness or receiving homeless assistance; and
- Support of additional homeless assistance and homeless prevention activities to mitigate the impacts created by coronavirus.

On September 17, 2020, with this Board's approval through Resolution No. 077589, DOH accepted \$833,900 in the first allocation of State ESG-CV funds. Those funds were allocated to support the operations of two existing emergency non-congregate shelter programs for households experiencing homelessness and are considered more vulnerable to COVID-19. On October 2, 2020, HCD released a second 2020 Notice of Funding Availability of ESG-CV Funds. Due to the continuing COVID-19 public health emergency, the needs of those who are experiencing homelessness and with highest risk are being prioritized by HCD (e.g. households that are experiencing literal homelessness and living in emergency shelters or unsheltered locations, thereby making them at greater risk of COVID-19 infection and increasing the risk of community spread). Accordingly, Department of Housing (DOH) will prioritize this second allocation of ESG-CV funding for Rapid Rehousing and Emergency Shelter activities to align with the priorities set forth by HCD through this second NOFA.

HCD has recommended that DOH seeks authorization to accept an amount not to exceed \$12,872,664, which is a figure equal to \$500,000 over the estimated ESG-CV allocation for San Mateo County according to current formula calculations, to avoid having to seek this Board's authorization again once the final ESG-CV allocation is determined. Approximately 3.2 percent of this awarded amount is available for direct administrative costs.

DISCUSSION:

DOH currently administers ESG funding directly allocated to the County by HUD. The development of the Notice of Funding Availability (NOFA) for the County's ESG entitlement funding from HUD and allocation recommendations of ESG funding has been done in collaboration with the County of San Mateo Human Services Agency (HSA). HSA is the lead agency for the local Continuum of Care (CoC) and organizes the group together to prioritize funding needs. DOH issues the NOFA, gathers responses, and works with the CoC to review and score applications, select recipients, and determine funding levels. A similar methodology or process for awarding the County ESG entitlement funding will be used for State ESG-CV funding allocated to the County by HCD. Staff from DOH and HSA will review applications and make funding awards.

According to HCD's recommendation to approve up to \$500,000 over the County's expected allocation according to current formula calculations, an amount not to exceed \$12,872,664 will be made available. All activities permitted under the federal ESG regulations are eligible under 24 CFR Part 576.100. The maximum spending cap on Emergency Shelter and Street Outreach activities of 60 percent of the total allocation does not apply under the CARES Act. ESG-CV funds may also be used to provide temporary emergency shelters (through leasing of existing property, temporary structure, or other means), to prevent, prepare for, and respond to coronavirus. ESG-CV funds may also be used for training on infectious disease prevention and mitigation and to provide hazard pay for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness.

As part of the application process, HCD is requiring applicants to obtain a Governing Board Authorizing Resolution that substantially conforms to the sample resolution provided by HCD. In

accordance with said application requirements, the accompanying resolution also includes an Attachment A that: (1) is formatted in a way that differs from the standard County resolution in order to comply with the application requirements of the HCD's second Notice of Funding Availability of ESG-CV funds; and (2) must be executed contemporaneously with the standard County resolution.

County Counsel has reviewed and approved the resolution as to form.

FISCAL IMPACT:

There is no net County cost. State ESG-CV funds are pass-through federal funding that will be administered by DOH.