



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 23-779

Board Meeting Date: 9/26/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Raymond Hodges, Director, Department of Housing
Subject: 2023-2024 State of California Emergency Solutions Grants (ESG) Funds

RECOMMENDATION:

Adopt a resolution:

- A) Authorizing the Department of Housing to accept an amount not to exceed \$322,294 in State of California Emergency Solutions Grants (ESG) funding and award that funding to qualified service providers through a Notice of Funding Availability 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 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 Funds, and execute contracts with awardees under said Notice of Funding Availability; and
- C) Approving an application for funding and the execution of a grant agreement and any amendments thereto from the 2023-2024 funding year of the State ESG Program, Continuum of Care Allocation NOFA in the form of a separate resolution submitted herewith.

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.

HCD released the 2023-2024 Notice of Funding Availability for the Continuum of Care Allocation (State NOFA) on July 28, 2023 which included funds from the federal ESG program. As part of the

application requirements for the State NOFA, HCD is requiring applicants to obtain a Governing Board Authorizing Resolution that must substantially conform to the sample resolution provided by HCD. However, until the State adopts a final budget, the total amount of funds that will be made available to applicants will not be known. Thus, HCD has recommended that the Department of Housing (DOH) seek authorization in an amount not to exceed \$322,294.00 an amount equal to double the preliminary ESG allocation for San Mateo County according to current formula calculations, to avoid having to seek this Board's authorization again once the final ESG allocation is determined. Approximately 2.6% of this amount is available for direct administrative or program costs. In accordance with said application requirements, a Board resolution approving the County's application in the form required by the HCD is included with this Board item that: (1) is formatted in a way that differs from the standard County resolution in order to comply with the application requirements of the State NOFA; and (2) must be executed contemporaneously with the standard County resolution.

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 have 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 brings 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. The methodology for awarding the County ESG Entitlement funding is also being used for State ESG funding allocated to the County by HCD, as described below.

On December 5, 2022, DOH issued a NOFA inviting applications from qualified service providers to provide eligible activities to address homelessness under the State's ESG program. According to HCD's recommendation to double the County's expected allocation according to current formula calculations, an amount not to exceed \$322,294.00 will be made available. Under State Regulation (25 CCR § 8403(i)) as an Administrative Entity, San Mateo County is required to award no less than 40% of available State ESG funding to rapid rehousing activities. The remaining funds will be available to fund the following eligible activities: (1) operating emergency shelters for homeless individuals and families and/or (2) increasing the number and quality of emergency shelters for homeless individuals and families. DOH received four (4) responses to the NOFA. Staff from DOH and HSA evaluated all received applications and made preliminary funding recommendations.

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

FISCAL IMPACT:

There is no Net County Cost associated with adoption of the resolution. State ESG funds are pass-through federal funding that will be administered by DOH.