



State THDCA 2020 ESG-CV Round II RFP

APPLICATION DEADLINE:	November 11, 2020 at 5:00 pm (CST)
FUNDS AVAILABLE:	\$7,633,238 (anticipated)
MINIMUM GRANT:	\$500,000
ELIGIBLE ENTITIES:	Private nonprofit organizations and general-purpose local governments who operate within the Homeless Response System within the TX-600 CoC (Dallas City and County, Irving CoC).
PROJECT STARTUP:	March 2021 (Tentative - Determined by TDHCA)
GRANT TERMINATION:	September 30, 2022 (Tentative – Determined by TDHCA)
GRANT SERVICE AREA:	Dallas and Collin Counties, Texas

Introduction

The Emergency Solutions Grants (ESG) Program is a U.S. Department of Housing and Urban Development (HUD) funded program designed to assist people experiencing homelessness or at-risk of homelessness to regain stability in permanent housing quickly after experiencing a housing crisis and/or homelessness. To address COVID-19, HUD allocated ~\$33.2 million to Texas Department of Housing and Community Affairs (TDHCA) as part of the first allocation of Emergency Solutions Grant Coronavirus Aid, Relief, and Economic Security (CARES) Act funding in March of 2020. Those have been allocated in accordance with the programming plan approved at the April 23, 2020 Board meeting. On June 9, 2020, HUD released the second allocation of ESG CARES Act funding allocating \$64,537,937 to TDHCA. HUD may recapture funding if 80% of the ESG CARES funds are not spent by March 31, 2022. ESG CARES Act funding may be available until September 30, 2022. Background ESG CARES funds are subject to a series of flexibilities, waivers, and restrictions, as outlined by the ESG CARES Act, HUD waivers accepted by the Department effective April 5, 2020, and the HUD CPD notice 20-08 "Waivers and Alternative Requirements for the Emergency Solutions Grants ESG Program under the CARES Act" released on September 1, 2020. There are many differences between ESG annual funds and ESG CARES, and some highlights are that ESG CARES funds are not subject to the match requirement; offer up to 5% in administrative costs for ESG Subrecipients; and not restricted to Fair Market Rent requirements (the rent reasonableness requirement has not been waived).

Also, through the HUD CPD Notice 20-08, a new type of assistance called landlord incentives is allowed. Landlord incentives will be permitted for an ESG CARES II award as part of rental assistance under homeless prevention and rapid rehousing. HUD has stated that "the costs of landlord incentives will increase the number of housing units available to people experiencing homelessness or at risk of homelessness, especially in tight rental markets and obtaining and maintaining housing is critical to preventing the spread of coronavirus and helping mitigate the economic impact of the crisis." Landlord incentives are limited to three times the rent charged for each unit. Eligible landlord incentive costs include:

1. Signing bonuses equal to up to 2 months of rent;
2. Security deposits equal to up to 3 months of rent;
3. Paying the cost to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit; and,
4. Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances.

Persons receiving assistance would need to meet the definition of homeless or at-risk of homelessness (24 CFR §576.2) to receive rapid rehousing or homeless prevention. For ESG CARES, the homelessness prevention income limit has been raised from 30% Area Median Income (AMI) to 50% AMI.

The TX-600 CoC (Dallas City and County, Irving CoC) will receive approximately \$7,633,238 to distribute locally (anticipated). Metro Dallas Homeless Alliance (MDHA), TX-600's lead agency, has applied and been selected to host a local competition and make funding recommendations to TDHCA. Applicants selected for funding will execute contracts directly with TDHCA. Contracts will end on March 31, 2022 but maybe extended through September 30, 2022.

MDHA is inviting eligible entities to submit requests for ESG-CV II funds through this Notice of Funding Availability (NOFA). **Eligible entities include private nonprofit organizations and general-purpose local governments who participate in the Homeless Response System within the TX-600 CoC (Dallas City and County, Irving CoC).**

These funds are made available specifically to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance to mitigate the impact of COVID-19.



CoC Approved Priorities

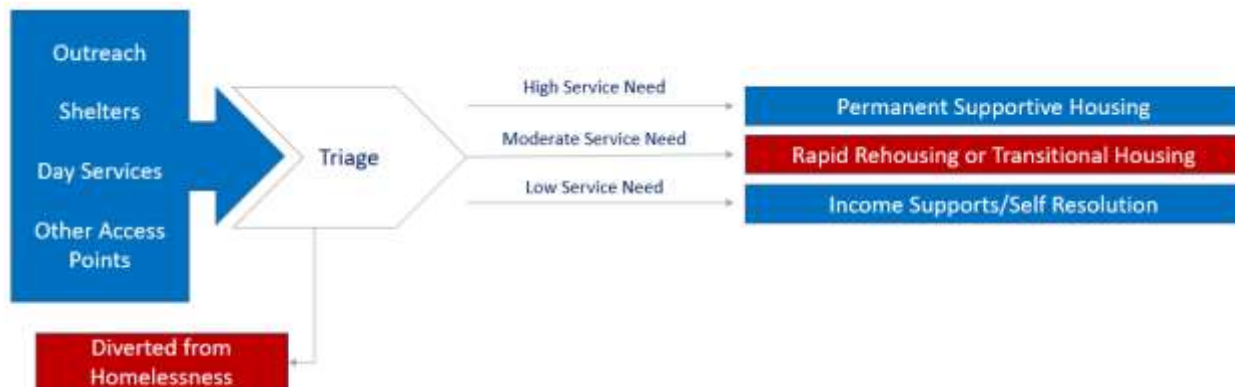
Collective Mission Statement

The CoC's shared mission is to achieve measurable reductions in homelessness.

Collective Core Values

- Every person Experiencing Homelessness Has Access to an Appropriate Exit Pathway
- Exit Pathways are Scaled to Meet Demand and Targeted to Meet the Needs of Specific Populations
- Accountability and Success is Demonstrated Using Data
- Engagement and Transparency are Central Behaviors in All Collective Efforts

MDHA, in partnership with direct service agencies, coordinates the housing response for TX-600 Continuum of Care, as the lead agency. Due to the urgency of the COVID-19 crisis and the imminent threat to the public health and safety to the homeless population, MDHA recommends a coordinated and large-scale community homeless housing initiative. This strategy supports the community's collective D-One Plan focus on rehousing that goes beyond the "crisis," and instead offers a defined, systematic path from homelessness into a home.



Per the CDC and HUD, special, strategic endeavors are required to protect people experiencing homelessness. Rapidly housing individuals and families currently living unsheltered on our streets and in our emergency shelters will help prevent the spread of COVID-19 amongst this highly susceptible population. To support the D-One Plan's development of scaled systematic pathways from homelessness into a home and to help strategically prevent the spread of COVID-19, **funds will be made available for the following ESG eligible activities:**

- **Rapid Rehousing-** RRH provides short-term, up to 12 months, rental assistance, and services. The goals are to help those experiencing literal homelessness obtain housing quickly, increase self-sufficiency, and stay housed. It is offered as a Housing First Model, without preconditions (such as employment, income, absence of criminal record, or sobriety) with the resources and services provided typically tailored to the needs of the person. HUD has stated that "the costs of landlord incentives will increase the number of housing units available to people experiencing homelessness or at risk of homelessness, especially in tight rental markets and obtaining and maintaining housing is critical to preventing the spread of coronavirus and helping mitigate the economic impact of the crisis."
- **Homelessness Prevention/Rapid Resolution-** Housing-focused problem-solving conversations paired with limited financial assistance offered to persons seeking emergency shelter or residing in emergency shelters. HUD has stated that "the costs of landlord incentives will increase the number of housing units available to people experiencing homelessness or at risk of homelessness, especially in tight rental markets and obtaining and maintaining housing is critical to preventing the spread of coronavirus and helping mitigate the economic impact of the crisis."

Proposals addressing other activities or service types will not be eligible to receive funding under this NOFA.

According to 24 CFR 576.100(b)(1), up to 10 percent of ESG-CV funds may be used for administrative costs, and the ESG-CV funds are exempt from the ESG match requirements.

- Note: TDHCA will divide the 10% total administrative cost between TDHCA and subrecipient, so project applicants can request up to 5% of total project cost for administrative costs in the budget proposal.

Program Requirements

Subrecipients must **operate within the Homeless Response System within** the TX-600 CoC (Dallas City and County, Irving CoC). Subrecipients must use ClientTrack, or comparable HMIS database (for

domestic violence providers), attend trainings to accurately enter data, and participate in the CoC's Coordinated Assessment System (CAS).

An agency may be ineligible to apply for the following reasons: Not currently operating in the Homeless Response System, no established business formation (per Secretary of State of Texas), lack of business financial documents (i.e. checking account, financial statements), no active board of directors or governing oversight body, limited organizational capacity, lack of documented programs/services being provided.

ESG CARES reimbursement process for rental assistance payments: ESG CARES is a reimbursement program. The ESG CARES Subrecipient will be under contract, and therefore incur a cost monthly once they have existing rental assistance agreements. TDHCA can pay upcoming monthly obligations based on the incurred cost. The rental payment on these rental assistance agreements is considered incurred and may be requested from TDHCA before the payment is due, if funds received by the ESG CARES Subrecipient are paid within 10 days of receipt from TDHCA. The Monthly Expenditure Report (MER) is due on the last day of each month. If the MER is submitted early, for example by the 10th of each month, and includes the previous month's expenditures as well as the rental payments that will be incurred through existing rental agreements in the upcoming month, payments should be able to be made to the ESG CARES Subrecipient in time for the rental assistance agreement amount to be paid when it is due.

Scope of Services

TDHCA has prioritized two ESG activities for ESG CARES second allocation: rapid re-housing and homelessness prevention. Under ESG CARES second allocation, rental assistance can be provided for up to 12 months, with an additional six months' worth of rental arrears and late fees in a one-time payment, as applicable. Another funding category that is closely related to rental assistance under ESG is called housing relocation and stabilization services, which can include rental application fees, security deposits, last month's rent, utility deposits, utility payments, moving costs, and landlord incentives. Both rental assistance and housing relocation and stabilization services are covered under the broad categories of rapid re-housing and homelessness prevention.

Summary of Activities

Categories
Administration (5%)
Homeless Prevention
Homeless Prevention – Rental Assistance (rent, rental arrears, late fees)
Homeless Prevention - Services
Homeless Prevention- – Housing Relocation and Stabilization Services (application fees, security deposits, last month's rent, utility deposits, utility payments, moving costs, landlord incentives)
Rapid Re-housing
Rapid Re-housing – Rental Assistance (rent, rental arrears, late fees)
Rapid Re-housing – Housing Relocation and Stabilization Services (application fees, security deposits, last month's rent, utility deposits, utility payments, moving costs, landlord incentives)
Rapid Re-housing - Services

Proposals must address one or more of the ESG eligible activity descriptions above. Activities not included above will not be eligible to receive funding under this NOFA. Programs are required to use the

CoC's Coordinated Assessment System for housing referrals.

Submission of Proposals

To be considered for funding and have your application reviewed by the Independent Review Committee each applicant must complete their application and it must be submitted via BaseCamp by the local deadline of **Wednesday, November 11, 2020 at 5:00** p.m. Central Standard Time. In BaseCamp please upload all files below with the following naming format of AGENCYNAMEChecklistPart.pdf (Example: MDHAPart1.pdf, CitySquarePart3.pdf)

If access to BaseCamp is needed, contact Shavon Moore at Shavon.Moore@mdhadallas.org to request access.

Application Contents

To receive full consideration for funding, agencies must complete the following **(see Round 2 Checklist and Application document)**:

	Document Required	Uploaded to BaseCamp ✓
Part 1	Application Cover Sheet and Checklist	
Part 2	Application Narrative	
Part 3	Previous Participation Form	
Part 4	THDCA Application** Complete TDHCA's application using this link:	

**In addition to submitting the application documents above to MDHA, each agency is responsible for completing an application to TDHCA using the link above. TDHCA will review applications based on recommendations from MDHA. TDHCA's application must be submitted by Monday November 30, 2020.

To allow for quick turnaround, agencies may provide bullet points for the description of requested activities, plan for landlord incentives, and plan to negotiate with landlords.

The following forms will not be evaluated during the competition for applicant selection. However, they will have to be provided to TDHCA with the completed application:

- Direct Deposit
- Texas Identification Number
- Information Security and Privacy Agreement
- Environmental Clearance for Units of Local Government

Agency staff must be available to discuss proposals through virtual meetings/phone calls with MDHA staff, if requested, during application evaluation process.

Evaluation Process/Timeline

Funding decisions will be made by the CoC Independent Review Committee (IRC). The IRC will evaluate applications based on TDHCA's six required metrics and two additional MDHA metrics:

1. (10 points) Past expenditure rates of CoC, ESG or another grant funding;
2. (10 points) The organization's demonstrable history and familiarity with operating the type of activity for which it will receive funding (e.g., rapid rehousing, homelessness prevention, rental assistance provision);
3. (15 points) The organization's experience serving the population experiencing homelessness and at greatest risk of complications from coronavirus (e.g., individuals experiencing homelessness over age 50, persons with disabilities);
4. (15 points) Previous performance of the organization in providing housing, shelter, or services to individuals and families experiencing or at risk of homelessness (e.g., the length of time individuals and families remain homeless before they are housed, overall reduction in the number of homeless individuals and families, success at reducing the number of individuals and families who become homeless, etc.);
5. (10 points) The organization's plan to use landlord incentives, as allowed in HUD CPD Notice 20-08; and
6. (10 points) The organization's plan to collaborate with landlords that shows staff members identified to conduct outreach to and negotiation with owners as outlined in 24 CFR §576.105(b).
7. (15 points) Agency ability to manage funding, measured as the percent of the total grant request to the total agency budget.
8. (15 points) Fit with area need as documented by MDHA and the CoC D-One plan, including the focus on developing a rehousing that goes beyond the "crisis," and instead offers a defined, systematic path from homelessness into a home.

MDHA will submit the CoC's funding recommendations to TDHCA. The TDHCA Board will review and amend their One Year Action Plan with the ESG-CV funding updates. Once HUD approves TDHCA's One Year Action Plan amendments, TDHCA will begin contract execution with subrecipients. TDHCA is currently estimating the contracting process will take place in December 2020 and January 2021. The table below shows the overall competition schedule.

Action/ Deadline/ Event	Date
Local competition opens – MDHA sends full RFP to community and opens the local competition	October 28, 2020
Local competition closes – All applications due to MDHA by this date at 5:00 PM CST	November 11, 2020
Review of proposals for eligibility, completeness, and preliminary scoring	November 13, 2020
CoC Independent Review Committee meets to finalize funding decisions – Discuss scores and finalize which agencies will receive funding and at what amount	Week of November 16, 2020
IRC submits funding recommendations to CoC Board	November 19, 2020
MDHA submits final funding recommendations to TDHCA	End of November 2020
TDHCA estimated contract start**	March 2021

**Tentative Date; Subject to Change

Additional Information

The complete program regulations for Federal ESG funds can be found at the following links:

- ESG regulations are contained within 24 CFR 576, which can be found at <https://www.govinfo.gov/app/details/CFR-2018-title24-vol3/CFR-2018-title24-vol3-part576>
- Additional information about the ESG program can be found at <https://www.hudexchange.info/programs/esg>

For Questions Regarding the Application Process, Contact:

Shavon Moore

VP of Programs

Metro Dallas Homeless Alliance

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