

Memorandum To: FMCoC Board of Directors

From: Joe Pasillas, FMCoC Director representing the City of Fresno

Subject: FMCoC ESG and HOME-ARP Consultation: Recommendation to the City of Fresno for Allocating PY 2023-2024 ESG Funding by Eligible Program Component

Date: December 1, 2022

The City of Fresno will be releasing a Notice of Funding Availability (NOFA) on December 19, 2022 for Homeless and Homelessness Prevention services for the upcoming 2023-2024 funding cycle. Respondents to the NOFA will be seeking ESG funds for activities under one or more of the eligible program components. Since the exact 2023-2024 ESG funding award to the City of Fresno is pending announcement by U.S. Department of Housing and Urban Development (HUD), the City is asking the Fresno Madera Continuum of Care (FMCoC) to consider and recommend ESG funding allocations for program components on a percentage basis for the upcoming funding cycle. Once HUD announces the City’s 2023-2024 ESG award¹, the recommended percentages will be applied in calculating the actual dollar amounts available under each program component. Selected applicants will receive competitive award(s) for up to the maximum amount available under each program component.

Current Year Program Component Allocations

Last year, the City of Fresno, in consultation with the FMCoC, allocated 2022-2023 ESG funds to eligible program components as follows:

Street Outreach / Emergency Shelter	Homeless Prevention	Rapid Rehousing	Administration	HMIS	Total
32.5%	4.4%	52.1%	7.5%	3.5%	100.0%

Notes to the Table:

1. ESG regulations limit the combined allocation for Street Outreach and Emergency Shelter program components to an amount not to exceed 60% of the annual entitlement grant award.
2. ESG regulations limit the Administration program component funding to an amount not to exceed 7.5% of the annual entitlement grant award.

¹ The current 2022-2023 ESG entitlement award was \$603,908.

Proposed Program Component Allocations

This year, the City is proposing 2023-2024 ESG funds to eligible program components as follows:

Street Outreach / Emergency Shelter	Homeless Prevention	Rapid Rehousing	Administration	HMIS	Total
33.5%	5%	54%	7.5%	0.0%	100.0%

Notes to the Table:

1. ESG regulations limit the combined allocation for Street Outreach and Emergency Shelter program components to an amount not to exceed 60% of the annual entitlement grant award.
2. ESG regulations limit the Administration program component funding to an amount not to exceed 7.5% of the annual entitlement grant award.
3. The 3.5% previously allocated for HMIS has been proportionally redistributed to the street outreach/emergency shelter, homeless prevention, and rapid re-housing program component

Changing Program Environment

The City recognizes the federal, state, and local response to the COVID-19 pandemic has substantially impacted homeless programs and related service delivery. Homeless funding is at historically high levels. The City also recognizes the rapid expansion of funding has challenged service provider’s capacity to absorb and expend the funding in accordance with timeliness requirements and adapt to HUD and State of California shifts in priorities, objectives and expected outcomes. Additionally, the housing shortage in the Fresno market continues, leaving homeless providers with varying degrees of difficulty in finding suitable vacant and available housing units meeting housing quality standards. For these reasons, the City prefers to open this year’s allocation discussion with an earnest conversation on upcoming homeless funding needs in an environment that has changed greatly since this time last year.

Requested FMCoC Board of Directors Discussion and Action:

At its December 2022 meeting, the City will be asking the FMCoC Board of Directors to:

- Discuss anticipated 2023-2024 homeless funding for ESG;
- Develop a consensus around 2023-2024 program component allocations (by percentage);
- Approve a Board recommendation to the full FMCoC membership for allocating 2023-2024 percentages; and
- Ask the FMCoC members to consider and approve the Board recommendation at its December 2022 meeting of the membership.