



BOARD OF SUPERVISORS  
AGENDA LETTER

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Community Services  
**Department No.:** 057  
**For Agenda Of:** August 18, 2020  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department George Chapjian, Community Services Director (805) 568-2467  
Director  
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523  
Laurie Baker, Grants Program Manager (805) 568-3521  
**SUBJECT: Execution of Agreement with United Way of Santa Barbara County to Implement an Emergency Rental Assistance Program and Disaster Assistance Program Utilizing CARES Act Funds**

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**County Counsel Concurrence**

As to form: Yes

**Risk Management**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a. Approve and authorize the Chair to execute a County Subrecipient Agreement in the amount of \$2,200,000 (Attachment A), with United Way of Santa Barbara County (United Way), utilizing CARES Act funding for administration and implementation of a rental assistance program that will provide qualifying County residents with emergency rental assistance payments, and a disaster assistance program that will assist County residents who test positive for COVID-19 to not return to work until safe; and
- b. Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), because they consist of the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

### **Summary Text:**

In response to the Coronavirus' immediate social and economic impact, on March 27, 2020, the U.S Congress enacted the Coronavirus Aid, Relief and Economic Security (CARES) Act to provide economic relief and assistance to many affected sectors of the U.S. economy. The CARES legislation provides funding on the order of \$2 trillion, and allocated \$9.5 billion in funding to the California state government, and an additional \$5.8 billion directly to the 21 California cities and counties with populations above 500,000. As part of the State's adopted FY 2020-21 budget, approximately \$46.1 million in federal funding will be passed from the State to Santa Barbara County "to support activities and expenses that promote public health and safety in response to the COVID-19 public health emergency" (State Budget Act of 2020, Section 11.90).

According to the State, funds may be used to offset or reduce appropriations in FY 2019-20 and FY 2020-21 that were made to support the COVID-19 response. The total amount of federal CARES Act funding allocated within the State budget is \$9.5 billion, of which approximately \$1.3 billion is identified to be forwarded to counties. Section 11.90(e) of the Budget Act of 2020 sets forth a process for the Department of Finance (DOF) to potentially reallocate any of the federal CARES Act funds contained in the State budget that remains unspent as of September 1, 2020. Specifically related to the portion of funding provided counties, the DOF is requiring counties to report on expenditures by September 1<sup>st</sup> and return any funds that are unspent by November 30, 2020, unless that date is extended by the DOF based on reported expenditures. To ensure the County receives the maximum allowable funding, the County Executive Officer intends to manage eligible expenditures as expeditiously as prudent. Eligible uses include direct, and potentially indirect, costs associated with the pandemic response, and the funding may not be used to backfill revenue losses.

Potential categories for funding were presented to the Board of Supervisors on July 14, 2020. Santa Barbara County's Community Services Department, Division of Housing and Community Development was directed to carry-out the Board's July 14<sup>th</sup> direction as it relates to a \$2,000,000 Emergency Rental Assistance Program and a \$200,000 Disaster Assistance Program. The recommended actions will implement this CARES Act funding for programming designed to address County residents' immediate, direct financial needs with rental assistance payments resulting from the Coronavirus' impact on household employment and income. In addition to this Emergency Rental Assistance Program (ERAP), the recommended actions utilize \$200,000 for a Disaster Assistance program for qualifying County residents who 1) test positive for COVID-19 or have a confirmed exposure to someone who tested positive for COVID-19, 2) cannot quarantine for the recommended 10-14 day period without experiencing financial hardship, and 3) agree not return to work for the recommended 10-14 day quarantine period.

### **Background:**

#### **The CARES Act**

CARES Act funding is intended to provide rapid deployment of financial liquidity into the U.S economy where many businesses have closed, resulting in loss of employment and income. Social distancing and closure of all but essential services has had unprecedented and significant financial impact on households and businesses. The CARES Act funding recommended in this Board Letter will provide emergency financial relief to qualifying unincorporated Santa Barbara County residents in the form of a 3-month rent subsidy of \$1,000 per month and a one-time \$1,250 payment to individuals who test positive for COVID-19 and cannot safely isolate without financial hardship.

The budget for CARES Act funds is reflected in the following table.

<b>ITEM</b>	<b>GRANT AMOUNT</b>
Family Services Agency (FSA) Case Management Contract Services: 4 months @ \$20,000/month	\$80,000
Online Application System	\$1,600
PR and Marketing	\$4,180
Direct Processing Costs (postage, check stock, printing, letterhead, envelopes)	\$4,300
UW Community Impact Staff (Bilingual in-person/over the phone office hour applications support)	\$23,422
Grant Coordinator: Documentation & Reporting	\$4,583
Finance & Accounting Department Costs	\$8,000
Benefits and Overhead Percentage of Staffing @ 20%	\$7,215
Direct Rental Assistance Payments to Landlords	\$1,866,700
Disaster Assistance to Households Impacted by COVID-19	\$200,000
<b>TOTAL</b>	<b>\$2,200,000</b>

The County’s partnership with United Way is critical for the expedited Program implementation called for by the CARES Act. United Way has partnered with Family Services Agency (FSA) to connect with low-income families particularly adversely impacted by the COVID-19 global pandemic with its existing grants program. The expansion of United Way’s existing program with the \$2.2 Million recommended for approval in this Board Letter will assist an estimated 600 families with rent assistance and 200 families with disaster assistance while ensuring that these programs are up and running as soon as possible given the regulatory timeline for commitment of these funds by November 2020 and the acute need in the community. The CARES Act Emergency Rent Assistance Program recommended for approval in this Board Letter is separate and independent from the CDBG-CV Emergency Rent Assistance Program approved by the Board of Supervisors on June 16, 2020.

**Performance Measure:**

ERAP - United Way will income-qualify persons served and document that County residents served have household incomes at or below 80% of the area median income (AMI), as determined and published by HUD annually. Subrecipients will report on the number of persons or households served and must retain documentation for 5-years to indicate that the program was operated in accordance with the CARES Act. It is estimated that 600 households will benefit from \$1,000 for 3-months of emergency rental assistance in unincorporated Santa Barbara County.

Disaster Assistance – The goal of the disaster assistance program is to provide necessary support to assist individuals impacted by COVID19, and required to isolate/quarantine do not experience a financial hardship which would result in a decision to not isolate/quarantine; potentially furthering spread the disease. In partnership with Santa Barbara County Public Health, United Way provide assistance \$1,250 to Santa Barbara County families whose head of household tests positive for COVID-19 or have a confirmed exposure to someone who tests positive for COVID-19 in order to remain home and isolate /quarantine. Participants must attest that they will safely isolate/quarantine and that they could not otherwise quarantine without financial hardship. It is estimated that 200 households will benefit from the Disaster Assistance payments program.

**Fiscal and Facilities Impacts:**

County HCD will not retain any CARES Act funds for Program administration. County general funds are used for a portion of HCD’s overall administrative expenses; however, no County funds are being used to fund the Program.

**Fiscal Analysis:**

Federal				\$2,200,000	
Fees					
Other:					
<b>Total</b>	\$	-	\$	-	\$2,200,000

**Key Contract Risks:**

The U.S. Department of Treasury could require the County to repay federal funds expended for ineligible expenses with non-federal funds. The Subrecipient Agreement specifies eligible expenses and County staff will review each payment request submitted by the Subrecipient to ensure that expenses incurred were for eligible costs. Payments will be provided to United Way in \$200,000 tranches, to be replenished upon exhaustion and proof of payment for eligible costs. Due to the anticipated high demand for this \$2,200,000, requirement that all funds be spent by November 2020, United Way’s cash reserves, and the County’s approximately 2-week timeframe to process reimbursement requests, a reimbursement based contract is not feasible. County staff will conduct ongoing monitoring to assure that the Program is being administered in accordance with regulatory requirements.

**Staffing Impacts:**

No new staffing impacts. The Program recommended for funding will be overseen by existing HCD staff.

**Special Instructions:**

1. Please return one copy of the Minute Order to Sarah Brasel at ext. 82468.
2. Please return one executed copy of the United Way Agreement to Sarah Brasel at [sbrasel@co.santa-barbara.ca.us](mailto:sbrasel@co.santa-barbara.ca.us), ext. 82468.
3. Please retain one executed original of the Agreement for COB records.

Author: Edward Teyber, Senior Housing Specialist

**Attachments:**

A: United Way Agreement