



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.:** 055  
**For Agenda Of:** September 10, 2019  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department George Chapjian, Community Services Director (805-568-2467)  
Director(s)  
Contact Info: Dinah Lockhart, Deputy Director (805-568-3523)  
**SUBJECT:** Execution of State of California Emergency Solutions and Housing (CESH) Sub-recipient Agreements

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve, ratify and authorize the Chair of the Board of Supervisors to execute subrecipient agreements for the distribution of State of California Emergency Solutions and Housing Program (CESH) funds with the following providers in the specified amounts:
  - i) \$100,000 to Good Samaritan Shelter for the Homelessness Prevention Program (Attachment A);
  - ii) \$125,000 to Legal Aid of Santa Barbara County for the Eviction Prevention and Defense Program (Attachment B); and
  - iii) \$140,898 to Santa Ynez Valley People Helping People for the Emergency Solutions Homeless Prevention Program (Attachment C);
- b) Determine that the recommended actions are not the acceptance and approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the project is a 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:**

Staff is requesting that the Board of Supervisors approve, ratify and authorize the Chair to execute three State of California Emergency Solutions and Housing (CESH) Program sub-recipient agreements with local homeless service providers. The recommended actions approve funding recommendations from the Santa Maria/Santa Barbara County Continuum of Care (CoC) Review and Rank Committee for the distribution of these funds. The term of the sub-recipient agreements begins on September 1, 2019 and all funds must be expended by August 31, 2020. The Board of Supervisors approved the application for and acceptance of CESH funds on September 18, 2018.

**Background:**

*California Emergency Solutions and Housing (CESH) Program*

On June 27, 2018 Governor Brown signed into law SB850, which created several funding streams to assist the efforts of local jurisdictions and Continuums of Care (CoCs) in addressing homelessness. One of the programs created by SB850 was the California Emergency Solutions and Housing (CESH) program, which will be administered by the State Department of Housing and Community Development (State HCD). On August 15, 2018, State HCD released the CESH Notice of Funding Availability (NOFA) which made approximately \$53 million available statewide. These funds represent a portion of the first and second quarters of revenue deposited in the Building Homes and Jobs Act Trust Fund since January 1, 2018, and approximately \$25 million in unallocated State ESG funds.

State HCD's NOFA detailed eligible activities and the formula allocation amounts for eligible CoCs. Based on the formula allocation which considered the CoC's 2017 Point-In-Time Count of sheltered and unsheltered homeless persons, the percentage of extremely low-income renters that pay more the 50% of their income on rent, and the percentage of households below the Federal poverty line, the formula allocation for the Santa Maria/Santa Barbara Continuum of Care is \$914,745 in one-time funding over five years. As the State-recognized Administrative Entity (AE) for the State ESG program, County HCD was designated by the Santa Maria/Santa Barbara Continuum of Care as the eligible applicant for these funds at their August 28, 2018 board meeting. The Board of Supervisors approved the application for and acceptance of CESH funds on September 18, 2018.

*Funding Process*

Of the \$914,745 in CESH funding allocated to the County, \$45,737 is allowable for grant administration. The CESH funding application required that the County allocate the remaining \$869,008 in funding between the following eligible activities:

1. Rental assistance, housing relocation, and stabilization services for persons who are homeless or at-risk for homelessness. Rental assistance up to twice the HUD-established Fair Market Rent (FMR) can be provided for up to 48 months;
2. Operating subsidies in the form of 15-year capitalized operating reserves for new and existing affordable permanent housing units for homeless individuals and families;
3. Flexible housing subsidy funds for local programs that establish or support the provision of rental subsidies for homeless individuals and families. These flexible funds can pay for bridge subsidies to property owners waiting for approval from another permanent rental subsidy source, vacancy payments, or project-based rent or operating reserves;
4. Operating support for navigation centers that provide temporary room and board and services to homeless persons and which connect them to mainstream services and housing, street outreach services, and shelter diversion programs, including homeless prevention;

5. System Support for Coordinated Entry Systems (CES) and Homeless Management Information Systems (HMIS); and,
6. Development of a Homeless Plan.

County Housing and Community Development (HCD) staff worked extensively with the local CoC and other stakeholders, including County departments and local jurisdictions, to establish priorities for the allocation of \$869,008 in non-administrative CESH funds. \$365,898 of CESH funds were reserved for Homelessness Prevention activities and a competitive local NOFA process was conducted in order to select local non-profits. There has been a critical gap in homelessness prevention funding since the end of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) funding in 2013. CESH funds allow for those at risk of homelessness to be served, making it possible to preserve tenancy and prevent homelessness. The remaining \$503,110 in CESH funds were allocated to activities to enhance infrastructure, systems support and planning for the local CoC and other stakeholder efforts to address homelessness countywide, which would be managed by the County. These activities are summarized in Table 1.

**Table 1: CESH Infrastructure and Systems Support and Planning**

Activity	Description of enhancement	Funding Amount
System Support	New HMIS user fees and licenses, additional HMIS staff to provide support and training for end-users, enhanced data-collection and reporting for new funding streams and technical assistance with three Point in Time Counts (2019, 2020, 2021).	493,110
Homeless Plan	Consulting services to develop an updated, comprehensive plan for addressing homelessness countywide.	10,000
<b>Total</b>		<b>\$503,110</b>

On October 12, 2018, County HCD released a local NOFA to allocate the \$365,898 in competitive funding for homelessness prevention to local non-profits. In response to the CESH local NOFA, County HCD received four proposals for a total of \$914,005. County HCD convened the CoC Review and Rank Panel on Wednesday, November 28, 2018 to evaluate applications submitted in response to the NOFA and recommend applications for approval to the Board of Supervisors. The Panel's recommendations are summarized in Table 2.

**Table 2: Funding Recommendations**

Applicant	Project Title	Service Area	Amount Requested	Amount Recommended
Good Samaritan Shelter	Homeless Prevention Program	North/Mid County	\$290,048	\$100,000
Legal Aid Foundation of Santa Barbara County	Eviction Prevention and Defense Program	South County	\$134,190	\$125,000
Santa Ynez Valley People Helping People	Emergency Solutions Homeless Prevention Program	North/Mid County	\$175,121	\$140,898
The Salvation Army	Countywide Homeless Prevention Program	Countywide	\$314,646	\$0
<b>Total</b>			<b>\$914,005</b>	<b>\$365,898</b>

*Subrecipient Agreement*

The subrecipient agreement identifies the terms and conditions by which the CESH funds must be administered. On page 5, Section VI (“General Conditions”) the agreement indicates the subrecipient is subject to federal, state, and County requirements. The agreement also includes nine (9) attachments which detail the Scope of Services (Exhibit A), Budget and Payment Procedures (Exhibit B), Expenditure Summary and Payment Request (ESPR) (Exhibit C), Quarterly Status Report (Exhibit D), Indemnification and Insurance Requirements (Exhibit E), Certification of Standards for Financial Management Systems (Exhibit F), and State Terms and Conditions (Exhibit G).

**Performance Measures:**

The three subrecipients will provide quarterly reports to the County on services provided. The following tables summarize project outcomes according to goals and performance measures. Program design, funding allocations, and the characteristics of at-risk individuals and households served by each subrecipient vary and impact the project outcome percentages and numbers of persons and households served.

**Table 4: Goals – Homelessness Prevention**

Goal	Good Samaritan Shelter	Legal Aid of Santa Barbara County	SYV People Helping People
Unduplicated number of persons at imminent or at risk of homelessness served	40	90	24
Unduplicated number of households at imminent or at risk of homelessness served	19	90	6
Number of instances of service (all services must be documented)	150	110	450

**Table 5: Performance Measures**

Measure	Good Samaritan Shelter	Legal Aid of Santa Barbara County	SYV People Helping People
Number of participants exiting to permanent housing	15	35	20
% of adult participants who will obtain earned income at project exit	30	10	10
% of adult participants who will increase or maintain cash/non-cash benefits at project exit	50	10	60
% of project participants that will retain permanent housing at 1 year	60	20	55

**Fiscal and Facilities Impacts:**

Budgeted: Yes **Fiscal Analysis:**

<b>Funding Sources</b>	<b>Current FY Cost:</b>	<b>Annualized On-going Cost:</b>	<b>Total One-Time Project Cost</b>
General Fund			
State	\$ 914,745.00		\$ 914,745.00
Total	\$ 914,745.00	\$ -	\$ 914,745.00

State HCD has allocated \$914,745 in CESH funds to the CoC Service Area for first round of funding. Of that amount, \$365,898 will be distributed to providers for the delivery of eligible homelessness prevention activities. The County will retain \$45,737 for administration, and will manage an additional \$503,110 for systems support and planning activities. Pursuant to approval by the Board of Supervisors on December 11, 2018, a position was created to provide HMIS Systems Support to the Continuum of Care with CESH funds.

**Key Contract Risks:**

The County assumes responsibility for the administration of CESH in accordance with all state requirements governing their use. In addition, it would be held liable if it or any provider to which it sub-grants CESH funds is found to be non-compliant with applicable requirements. Good Samaritan Shelter, Legal Aid of Santa Barbara County, and Santa Ynez Valley People Helping People have all successfully operated State and/or federally-funded homeless assistance projects in the past which have had similar regulatory and administrative requirements.

The CESH Program Subrecipient Agreement is a cost-reimbursement contract. This allows CSD to disburse state funds to the aforementioned CESH Program Subrecipients for eligible incurred costs to the extent prescribed by the Agreement. The County will only reimburse CESH Program Subrecipients for costs that are eligible under the Agreements and documented in a manner that is acceptable to the CSD. CSD staff will assess the performance of the CESH Program Subrecipients to determine if services are adequately provided. The County will provide payment after demonstration that reimbursable services were provided.

**Special Instructions:**

- 1) Please email an electronic copy of the Minute Order to Dinah Lockhart at [dlockhart@co.santa-barbara.ca.us](mailto:dlockhart@co.santa-barbara.ca.us).
- 2) Please execute three (3) original copies of each of the following documents and send to Dinah Lockhart (x3523):
  - a. CESH Subrecipient Agreement for \$100,000 with Good Samaritan Shelter;
  - b. CESH Subrecipient Agreement for \$125,000 with Legal Aid of Santa Barbara County;
  - c. CESH Subrecipient Agreement for \$140,898 with Santa Ynez Valley People Helping People.

**Attachments:**

- A) CESH Subrecipient Agreement for \$100,000 with Good Samaritan Shelter;
- B) CESH Subrecipient Agreement for \$125,000 with Legal Aid of Santa Barbara County;
- C) CESH Subrecipient Agreement for \$140,898 with Santa Ynez Valley People Helping People;
- D) Summary of Current County Funding to CESH Recipients