



**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:** April 1, 2014  
**Placement:** Departmental  
**Estimated Tme:** 45 minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

---

**TO:** Board of Supervisors  
**FROM:** Department Herman Parker, Community Services Director (805) 568-2467  
Director(s)  
Contact Info: Dinah Lockhart, Deputy Director of HCD (805) 568-3523  
**SUBJECT:** Future of the Continuum of Care Program in Santa Barbara County

---

**County Counsel Concurrence**

As to form: Yes

**Recommended Actions:**

**Auditor-Controller Concurrence**

As to form: Yes

That the Board of Supervisors:

- A) Receive and file an update on the Continuum of Care Program and its implementation in Santa Barbara County;
- B) Consider the County of Santa Barbara's possible roles in the local Continuum of Care:
  - 1) Act as the Collaborative Applicant for the local Continuum of Care,
  - 2) Act as the Homeless Management Information System (HMIS) Lead Agency for the local Continuum of Care, and/or
  - 3) Continue serving as the Grant Administrator for the Clean and Sober Living and Lompoc Transformative Housing projects, which entails applying for and administering funding through the Continuum of Care Program on behalf of Good Samaritan Shelter;
- C) If the Board of Supervisors decides to adopt a role(s), provide direction to staff to implement;
- D) If the Board of Supervisors decides not to adopt a role(s), provide direction to staff to assist the Continuum of Care with transitioning that role(s), including soliciting proposals from organizations to assume that role(s); and
- E) Determine that the recommended actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5), as the actions are organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and direct staff to file a Notice of Exemption (Attachment A).

**Summary Text:**

Since 1998, the County of Santa Barbara has applied to the U.S. Department of Housing and Urban Development (HUD) for federal funds under the Continuum of Care (CoC) Program. Annually, the CoC Program provides approximately \$1.4 million to support the delivery of permanent housing, transitional housing, and supportive services for homeless persons throughout Santa Barbara County and leverages nearly \$1.1 million in other resources. In order to receive funds under the CoC Program, communities must establish a CoC, or local homeless assistance planning network composed of various stakeholders such as nonprofit homeless service providers, faith-based organizations, governments, businesses, advocates, school districts, hospitals, and law enforcement.

HUD has promulgated changes to the CoC Program that require greater community control of local CoC planning and allocation of funding. The CoC Program Interim Rule (Interim Rule) published in 2012 enhanced and formalized the duties of the CoC as the local planning body responsible for coordinating homelessness services in its geographic area. The Interim Rule imposes specific compositional requirements on the CoC, which must establish a board to act on its behalf by August 30, 2014. As the primary decision-making group of the CoC, the CoC Board must represent relevant organizations and projects that serve homeless subpopulations and must include at least one homeless or formerly homeless person. Because of these requirements, the County and the Board of Supervisors can no longer act as the organization and body solely responsible for planning and allocating funding under the CoC Program.

While the CoC and its board have been charged to administer the CoC Program in its geographic area, the CoC can approach other entities, such as the County, to request it to carry out specific functions. In light of these programmatic changes, staff seeks direction from the Board of Supervisors with respect to the County's possible roles in the local CoC. These roles are:

- Act as the Collaborative Applicant for the local CoC,
- Act as the Homeless Management Information System (HMIS) Lead Agency for the local CoC, and
- Serve as the Grant Administrator for the Clean and Sober Living and Lompoc Transformative Housing projects, which entails applying for and administering funding through the CoC Program on behalf of Good Samaritan Shelter.

In previous years, CSD has used one-time fund balance from the affordable housing fund to subsidize CoC Program-related staff costs. This draw on one-time fund balance has been increasing each year due to an increase in costs related to the County's cost allocation plan. A majority of the increase in the cost allocation plan is related to County Administrator services provided in order to meet the department's federal spending requirements and County Counsel's review of contracts. CSD estimates that the next two years will see increases in the cost allocation plan from use of these same department services and increase in the use of Auditor-Controller services. The department's available fund balance is almost fully depleted, which, coupled with inadequate funding from federal sources to cover the administration of programs, renders CSD unable to fund an effective CoC Program within its existing budget. As such, if the Board of Supervisors decides to adopt all roles for the County, staff requests one additional full-time equivalent (FTE) in CSD at an estimated annual cost of \$137,000.

**Background:**

### *CoC Program*

The CoC Program is designed to promote community-wide goals to end homelessness; provide funding to quickly re-house homeless persons while minimizing trauma and dislocation to those persons; promote access to, and effective utilization of, mainstream programs; and optimize self-sufficiency among homeless persons. Funds are competitively awarded to communities that demonstrate comprehensive planning for and coordination of housing and services for homeless persons through CoCs or local planning bodies composed of representatives of relevant organizations such as non-profit homeless service providers, government agencies, public housing agencies, mental health agencies, and hospitals that serve homeless persons or persons at risk of homelessness. In order to qualify to receive funds for its geographic area, a CoC must submit a consolidated application that provides information about its planning body, governance structure, overall performance in addressing homelessness, and strategic planning processes. In the past, the County has prepared the consolidated application on behalf of the local CoC.

### *HEARTH Act and Continuum of Care Program Interim Rule*

Enacted in 2009, the HEARTH Act overhauled HUD's homelessness assistance programs. The Interim Rule, published by HUD in 2012, established the regulatory framework for the CoC Program. It specified how to establish and operate a CoC, apply for funds under the CoC Program, and how to use awarded funds. Additionally, it delineated the duties and responsibilities of a CoC, which include establishing a board with HUD-imposed composition. This board must include representatives of relevant organizations (such as nonprofit organizations, faith-based organizations, governments, advocates, homeless/formerly homeless individuals) to carry out the responsibilities set forth in the Interim Rule. The CoC Board may designate a "Collaborative Applicant" to compile and submit the consolidated application and an "HMIS Lead Agency" to operate HMIS.

### *Central Coast Collaborative on Homelessness (C3H)*

In 2012, the Board of Supervisors supported the formation of a new collaborative community structure to address homelessness called the Central Coast Collaborative on Homelessness or C3H. The purpose was to merge and coordinate disparate existing homeless service delivery systems into a more coordinated and collaborative organization. Since its inception, C3H has established an organizational framework to implement these objectives. This framework includes a coordination committee, an executive oversight committee, a policy council, and working groups.

On March 6, 2014, pursuant to the Interim Rule, C3H took action to assume the role of the CoC Lead Agency on the condition that the County would take the roles of Collaborative Applicant and HMIS Lead Agency. As the CoC Lead Agency, C3H would be responsible for coordinating local homeless planning efforts and implementing decisions that affect the provision of homelessness services countywide. This would be a large undertaking for C3H and they would need as much time as possible to work on establishing a CoC Board with HUD-imposed membership; Memorandums of Understanding that clearly establish the roles and responsibilities between the CoC, Collaborative Applicant, and HMIS Lead Agency; and appropriate C3H staff to support such duties. If the Board of Supervisors elects not to adopt the role(s) of Collaborative Applicant and/or HMIS Lead Agency for the County, the Board of Supervisors may direct staff to provide assistance to the CoC with respect to transitioning that role(s). However, it is not the County's responsibility to secure alternatives for this role(s).

### **Discussion:**

### *County's Role*

The County currently serves multiple functions with respect to the local CoC: primary decision-making group, Collaborative Applicant, HMIS Lead Agency, and Grant Administrator. In addition, the County participates in the multiple sectors of C3H. Currently, two Supervisors serve on the Policy Council and representatives from multiple County departments participate in the Coordination Committee, Housing Shelter Treatment Group, and Data Subcommittee. Representatives from the County may serve on the CoC Board once established and in accordance with any written selection process developed. The future extent of the County's involvement in the CoC will be dependent upon how the CoC defines participation going forward and CoC board membership.

The Interim Rule creates an opportunity for the County to re-evaluate its current roles and determine its future role(s) in the local CoC given new requirements and limited financial resources provided by HUD to carry out these roles. The following table summarizes the County's current roles in the local CoC and options going forward in light of the Interim Rule and action taken by C3H as described above. The roles are described below. Should the Board of Supervisors decide not to adopt any roles for the County going forward that are currently being carried out by the County, the Board of Supervisors may direct staff to solicit proposals from other eligible organizations to assume those roles in an effort to facilitate community discussion. It is not the County's responsibility to secure entities for these roles. However, the Board of Supervisors may direct staff to provide assistance to the CoC with respect to transitioning those roles.

<b>Role</b>	<b>County's Current Role</b>	<b>County's Future Option</b>
Primary Decision-Making Group	Yes	No
Collaborative Applicant	Yes	Yes
HMIS Lead Agency	Yes	Yes
Grant Administrator	Yes	Yes

### **Primary Decision-Making Group**

The Board of Supervisors has acted as the primary decision-making group for the local CoC since 1998. It has approved and authorized the submission of the consolidated application for funding under the CoC Program. The Board of Supervisors cannot act in this capacity going forward.

### **Collaborative Applicant**

In partnership with homeless service providers, community groups, and government agencies, CSD facilitates local planning efforts in regards to homelessness. Critical among them is the preparation and submission of the previously described annual consolidated application for funding. Though most funds awarded locally under the CoC Program flow directly from HUD to the operators of homeless assistance projects, CSD plays a central role in coordinating and writing the consolidated application on behalf of the local CoC. Since 1998, more than \$18 million have been awarded to projects countywide through these efforts.

CSD also performs critical administrative functions for the CoC, such as aggregating and submitting shelter and housing inventory data to HUD annually, facilitating evaluations of CoC Program-funded projects, providing technical assistance, and coordinating the review and evaluation of local Emergency Solutions Grants (ESG) Program applications to the State of California Department of Housing and Community Development. CSD receives no funding from HUD to perform any Collaborative Applicant

functions. As Collaborative Applicant, liability to the County would be limited based on discussions with various HUD officials; HUD has not yet formally established the liability, if any, for Collaborative Applicants.

Because one-time money is limited, staff resources dedicated to CoC Program-related work would need to be enhanced to a projected 0.75 FTE at an estimated cost of \$102,750 should the Board of Supervisors decide to adopt this role for the County going forward. This projection is based on CoC Program-related work currently being performed by CSD and does not factor any additional duties negotiated by C3H or existing duties transferred to C3H.

### **HMIS Lead Agency**

HUD requires all CoCs to implement a single Homeless Management Information System (HMIS) within their geographic areas that is capable of storing client-level information on the characteristics and service needs of homeless persons and persons at risk of homelessness. Since 2005, the County has been the lead administrator of the Santa Barbara County HMIS. In this role, CSD, on behalf of the County, oversees day-to-day system administration, provides technical support and training, and ensures system integrity and availability. CSD also applies annually for funds under the CoC Program to partially finance system and staff costs; CoC Program funds are the primary source of funding for the countywide HMIS. CSD receives \$108,950 in CoC Program funds annually specifically for staff costs. Along with a required cash match provided by the County, CoC Program funds will support one FTE position. CSD can continue to carry out this role at no additional cost should the Board of Supervisors decide that the County will continue serving in this role.

### **Grant Administrator**

Since 2001, the County has served as the administrator of funds awarded under the CoC Program and its legacy program, the Supportive Housing Program, on behalf of Casa Esperanza Homeless Center and Good Samaritan Shelter for the Casa Esperanza Day Center and Clean and Sober Living projects, respectively. CSD, on behalf of the County, is responsible for grant management and compliance oversight, including annual performance reporting and fiscal and project monitoring. The County will no longer administer CoC Program funds on behalf of Casa Esperanza's Homeless Center because of the discontinuation of the Casa Esperanza Day Center. However, CSD was awarded additional funds under the CoC Program for the Lompoc Transformative Housing project to support the delivery of transitional housing and supportive services to homeless families in the Lompoc Valley; these funds are being 'passed through' to Good Samaritan Shelter as the project sponsor. Should the Board of Supervisors decide that the County will continue serving as grant administrator for the Clean and Sober Living and Lompoc Transformative Housing projects, CSD will apply for and administer any funding awarded through the CoC Program for those projects on behalf of Good Samaritan Shelter. The County, as grant administrator, would be held liable if CSD or Good Samaritan Shelter is found to be non-compliant with program regulations and requirements.

Staffing resources needed to carry out grant management and compliance oversight activities at optimal levels are projected to be 0.25 FTE position at an estimated cost of \$34,250. CSD will need this amount of funding should the Board of Supervisors decide that the County will continue serving as the grant administrator for the Clean and Sober Living and Lompoc Transformative Housing projects. For any new projects for which the County will be the applicant, CSD will seek Board of Supervisors action separate from the actions being considered under this agenda item.

### *CoCs in Benchmark Counties*

CSD staff recently surveyed five CoCs in other California counties, including a few benchmark counties (Attachment B). All CoCs surveyed had, on average, 1.5 FTEs dedicated to performing CoC-related work and 1.2 FTEs dedicated to managing the HMIS. Currently, CSD has less than one FTE dedicated for direct program activities.

### **Fiscal and Facilities Impacts:**

The costs incurred by CSD for CoC Program-related activities performed at current levels total \$194,153 for 1.3 FTEs consisting of direct and administrative staffing. CSD receives \$111,035 from HUD and the balance, or \$83,118, is being supported with one-time fund balance. The chart below identifies the additional staffing costs necessary for CSD to carry out the roles of Collaborative Applicant and Grant Administrator. As discussed above, CSD will have sufficient funding to support at least one FTE position to carry out HMIS Lead Agency responsibilities based on funding expected to be awarded through the CoC Program.

<b>Role</b>	<b>Proposed Staffing Need (FTEs)</b>	<b>Proposed Staffing Costs</b>
Collaborative Applicant	0.75	\$102,750
Grant Administrator	0.25	\$34,250
<b>Total</b>	<b>1.00</b>	<b>\$137,000</b>

CSD currently receives no financial assistance from HUD to carry out the Collaborative Applicant role and receives approximately \$2,085 from HUD to administer grants funded through the CoC Program.

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Additional On-going Cost:</u></b>	<b><u>Total One-Time Project Cost:</u></b>
General Fund		\$137,000	
One-time Fund Balance	\$83,118		
State			
Federal: Grant Administration	\$2,085		
Federal: HMIS	\$108,950		
Fees			
<b>Total</b>	<b>\$194,153</b>	<b>\$137,000</b>	

### **Key Contract Risks:**

The roles described above—Collaborative Applicant, HMIS Lead Agency, and Grant Administrator—carry varying degrees of risk. HUD has not formally established the liability for Collaborative Applicants, but discussions with various HUD officials indicate that the liability is limited. Recipients of CoC Program funds, and not the County as Collaborative Applicant, would be held liable for non-compliance with program regulations and requirements. CSD staff has requested clarification from HUD on any additional risks associated with serving as the Collaborative Applicant. CSD is awaiting clarification.

As the HMIS Lead Agency, the County will be held liable if funds awarded through the CoC Program for the administration of HMIS are misused. As Grant Administrator, the County, as recipient of CoC Program funds, will be held liable if it or a project sponsor is found to be non-compliant with program regulations and requirements.

**Staffing Impacts:**

**FTEs:**

1.0<sup>1</sup>

**Special Instructions:**

Please email an electronic copy of the Minute Order to A.J. Quinoveva (x1090) at [aquinoveva@co.santa-barbara.ca.us](mailto:aquinoveva@co.santa-barbara.ca.us).

**Attachments:**

Attachment A: CEQA Notice of Exemption

Attachment B: Continuum of Care Staffing Matrix

**Authored by:**

A.J. Quinoveva, Housing and Community Development Division (805-560-1090)

---

<sup>1</sup> If the Board of Supervisors adopts the roles of Collaborative Applicant and Grant Administrator, one additional FTE in CSD will be needed.