



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: March 20, 2018
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

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: Grant Agreement Amendments to the 2016 Continuum of Care Grant Agreements for the Clean and Sober Living and Lompoc Transformative Housing Programs operated by Good Samaritan Shelter

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Authorize the Community Services Director or designee to execute a Grant Agreement Amendment to the 2016 Continuum of Care (CoC) Grant Agreement between the County and the U.S. Department of Housing and Urban Development (HUD) for Grant Number CA0600L9D031609, which enables Good Samaritan Shelter to replace County as the direct grantee with HUD of the Good Samaritan Clean and Sober Living program 2016 CoC grant in the amount of \$21,913 for the period beginning February 1, 2017 thru January 31, 2018, as extended to July 31, 2018 (Attachment A);
- b) Authorize the Community Services Director or designee to execute the Grant Agreement Amendment to the 2016 Continuum of Care (CoC) Grant Agreement between the County and HUD for Grant Number CA1123L9D031603, which enables Good Samaritan Shelter to replace County as the direct grantee with HUD of the Good Samaritan Lompoc Transformative Housing program 2016 CoC grant in the amount of \$63,786 for the period beginning October 1, 2017 and ending September 30, 2018 (Attachment B);

- c) Authorize the Community Services Director (CSD Director) or designee as follows:
- 1) Authorize the CSD Director to approve and execute an amendment (Attachment D) to the existing CoC Program Subrecipient Agreement (Attachment C) with Good Samaritan Shelter for Clean and Sober Living that reduces the funding amount to reflect the actual funds available directly from HUD that only the County may access under the 2016 CoC Grant Agreement CA0600L9D031609 in order to pay to Good Samaritan Shelter; and
 - 2) In the alternative, authorize the CSD Director to execute a Grant Agreement Rescission that rescinds and effectuates a mutual release of obligations under the existing CoC Program Subrecipient Agreement in the event that Good Samaritan Shelter gains access to funds under the 2016 CoC Grant Agreement for the entire period of performance thereunder. (Attachments E);
- d) Authorize the CSD Director as follows:
- 1) Authorize the CSD Director to approve and execute an amendment (Attachment G) to the existing CoC Program Subrecipient Agreement (Attachment F) with Good Samaritan Shelter for Lompoc Transformative Housing that reduces the funding amount to reflect the actual funds available directly from HUD that only the County may access under the 2016 CoC Grant Agreement CA1123L9D031603 in order to pay to Good Samaritan Shelter; and
 - 2) In the alternative, authorize the CSD Director to execute a Grant Agreement Rescission that rescinds and effectuates a mutual release of obligations under the existing CoC Program Subrecipient Agreement in the event that Good Samaritan Shelter gains access to funds under the 2016 CoC Grant Agreement for the entire period of performance thereunder. (Attachment H);
- e) Determine that the recommended actions do not constitute projects subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the projects are 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, and direct staff to file a Notice of Exemption (Attachment I).

Summary Text:

The Community Services Department (CSD) on behalf of the County, Good Samaritan Shelter, and HUD have mutually agreed that greater administrative efficiencies would result if Good Samaritan Shelter would be the direct grantee with HUD for the Clean and Sober Living and Lompoc Transformative Housing programs. As the direct grantee for two other CoC funded programs – Casa de Familia and Northern Santa Barbara County Rapid Rehousing – Good Samaritan Shelter has demonstrated their capacity to be a direct grantee with HUD. With the designation of Good Samaritan Shelter as the direct grantee for the Clean and Sober Living and Lompoc Transformative Housing programs, the County’s responsibilities for monitoring program compliance would be transferred to HUD. The County’s responsibilities for submitting individual program renewal funding applications, annual performance reports to HUD, and making drawdowns for eligible expenses incurred will be

transferred to Good Samaritan Shelter once they have been granted access to LOCCS. The transfer of Good Samaritan's Clean and Sober Living and Lompoc Transformative Housing programs from County to HUD administration will not result in an interruption of services provided by these two programs.

Recommended actions a) and b) allow CSD to execute Grant Agreement Amendments with HUD and Good Samaritan Shelter that enable Good Samaritan Shelter to replace the County as grantee for the 2016 CoC Program Grants for the Clean and Sober Living and Lompoc Transformative Housing programs. The effect will be to make Good Samaritan Shelter directly responsible to HUD for program compliance. It is HUD's stated intent to give Good Samaritan Shelter access to its Line of Credit Control System (LOCCS) effective on the program start date for both programs – February 1, 2017 for Clean and Sober Living and October 1, 2017 for Lompoc Transformative Housing, in which case Good Samaritan Shelter would draw down 100% of the funds for both programs directly from HUD, and the subrecipient agreements for these programs would be rescinded. However, HUD states that they cannot confirm the effective dates for LOCCS access until they receive the executed Grant Amendment Agreements. If Good Samaritan Shelter does not have LOCCS access for the entire period of these programs, the County may need to access LOCCS in order for Good Samaritan to receive the funds. Recommended actions c) and d) provide flexibility should Good Samaritan Shelter's access to LOCCS not extend back to the program start dates for either or both programs. If Good Samaritan Shelter gains access to some but not all of the grant funds for the programs, the subrecipient agreements would remain in place but the CSD Director could amend them to reflect the County's reduced subgrants to Good Samaritan Shelter. Alternatively, if the County does not need to make any payments of grant funds, the CSD Director could rescind the agreement and effectuate a mutual release.

The U.S. Department of Housing and Urban Development (HUD) competitively awards funds through the Continuum of Care (CoC) Program for the provision of housing and support services to homeless individuals. The Santa Maria/Santa Barbara County CoC, the homelessness assistance planning body for Santa Barbara County, is responsible for the implementation of the CoC Program, although it designates other entities to carry out certain activities. The County of Santa Barbara (County) serves multiple roles with respect to the local implementation of the CoC Program including as a grant administrator for pass-through funding. As a grant administrator, the County has administered funds awarded through the CoC Program for Good Samaritan Shelter's Clean and Sober Living program since 2005, and their Lompoc Transformative Housing program since 2011.

Nominal funding for grant administration available to the County, in the amounts of \$595 for the Clean and Sober Living program and \$2,086 for the Lompoc Transformative Housing program in 2016, will now be available to Good Samaritan Shelter to cover their eligible administrative costs. The County estimates that the savings in County staff time devoted to administering these two projects will be approximately six times that of the loss of \$2,681 in annual funding for grant administration. The status of Good Samaritan Shelter as direct grantee for 2016 programs will continue to apply to future CoC annual funding applications. The Lompoc Transformative Housing program, however, was not selected for renewal funding in the 2017 CoC Annual Competition. The Clean and Sober Living Program was fully funded in the 2017 CoC Annual Competition.

Should the Board of Supervisors approve the grant amendments designating Good Samaritan Shelter as the direct HUD grantee for the Clean and Sober Living and Lompoc Transformative Housing programs, the only other CoC Program subrecipient going forward will be the United Way of Northern Santa

Barbara County (United Way) for the Coordinated Entry System. This CoC grant was newly awarded in the 2017 CoC Program Competition. Under this grant, the United Way will work closely with the County and CoC Board and membership to manage the new Coordinated Entry System which was successfully implemented on January 23, 2018, as mandated by HUD. Because this is a new program, the County will maintain the oversight responsibilities as direct grantee through at least the initial grant term. In the future, the County and the United Way may consider requesting a grant amendment naming the United Way as a direct grantee with HUD.

Background:

Authorized by the McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the CoC Program is designed to assist homeless individuals and provide them with the services needed to help them move into transitional and permanent housing with the goal of long-term stability. Funds awarded through the CoC Program may be used to pay for the costs of establishing and operating projects under five program components: permanent housing, transitional housing, supportive services only, Homeless Management Information System (HMIS), and for eligible communities, homelessness prevention. Additionally, CoC Program funds may be used to support CoC planning activities, such as evaluating outcomes of projects funded by the CoC Program and monitoring for and enforcing compliance among recipients and subrecipients.

FY 2016 CoC Program Competition Awards

On September 14, 2016 the Community Services Department (CSD) submitted an application for CoC program funding as the grant administrator for five projects: three for which the County is both the direct grantee and the party responsible for carrying out grant activities - HMIS, HMIS Expansion I, and Santa Barbara County CoC Planning grants; and two for which the County is the direct grantee and Good Samaritan Shelter is the party responsible for carrying out grant activities - Clean and Sober Living and the Lompoc Transformative Housing programs. On May 5, 2017 the County executed grant agreements with HUD for Clean and Sober Living and Lompoc Transformative Housing programs.

Subrecipient Agreements with Good Samaritan Shelter

CSD has served as the grant administrator of CoC Program funds awarded for Good Samaritan Shelter's Clean and Sober Living program since 2005 and Lompoc Transformative Housing program since 2011. As administrator, CSD performed grant management and compliance oversight activities, including project monitoring and annual performance reporting. Good Samaritan Shelter, as subrecipient, has been responsible for carrying out the projects in accordance with federal requirements and the terms of the CoC Program Subrecipient Agreements.

The Clean and Sober Living and Lompoc Transformative Housing programs provide housing with supportive services to homeless and formerly homeless individuals in northern Santa Barbara County. Housed in two single family residences in the Santa Maria area, Clean and Sober Living is a 16-bed permanent supportive housing project that serves formerly homeless individuals who are disabled and have histories of chronic substance abuse and mental illness. In the 2016 CoC Program Competition, the Clean and Sober Living program was awarded \$21,913 for the period beginning February 1, 2017 and ending January 31, 2018 and, of that amount, \$595 was to be retained by CSD for grant administration and \$21,318 was to be passed to Good Samaritan Shelter for project operations. The original grant agreement with HUD was extended to July 31, 2018 to allow for the completion of the grant amendment

and administration processes. Lompoc Transformative Housing, a 19-bed transitional housing project that serves homeless families, was awarded \$63,786 for the period beginning October 1, 2017 and ending September 30, 2018. Of that amount, \$2,086 was to be retained by CSD for grant administration and \$61,700 was to be passed to Good Samaritan Shelter for project operations and service provision. 2016 CoC Subrecipient Grant Agreements were executed between the County and Good Samaritan Shelter for the Clean and Sober Living and Lompoc Transformative Housing programs. With the execution of the Grant Amendment, the County's Subrecipient Agreements for these two programs will be amended to reduce the amount to reflect the actual dollars the County will draw down directly from HUD and reimburse to Good Samaritan for each program; or a Grant Agreement Rescission will be executed should the County draw down \$0 directly from HUD for either or both programs.

Grant Amendment to the 2016 Continuum of Care Grant Agreements

In 2009, Good Samaritan Shelter applied for, and was awarded, CoC funding as a direct HUD grantee for Case De Familia. After successfully demonstrating their capacity to perform as a direct HUD grantee, Good Samaritan Shelter applied for, and was awarded, funding again in 2013 as a direct HUD grantee for the Northern Santa Barbara County Rapid Rehousing program. In 2017, the County and Good Samaritan Shelter agreed that there were significant administrative efficiencies to be gained by both parties in requesting a Grant Amendment naming Good Samaritan Shelter as the direct grantee for the Clean and Sober Living and Lompoc Transitional Housing programs. In late 2017, HUD agreed to the amendment request from CSC and Good Samaritan Shelter.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

As the grant administrator, CSD was awarded a total of \$85,699 in the 2016 CoC Program Competition for the Clean and Sober Living and Lompoc Transformative Housing programs. Historically, of that total, CSD would have retained \$2,681 to cover the County's administrative expenses, and \$83,018 would have passed through to Good Samaritan Shelter, the subrecipient for Clean and Sober Living and Lompoc Transformative Housing programs, to operate the projects and provide client services. By executing the Grant Agreement Amendments, the County will forgo the funding for administrative expenses. The County estimates that the savings in County staff time devoted to administering these two projects will be approximately six times that of the loss of \$2,681 in annual funding for grant administration.

It is HUD's stated intent to give Good Samaritan Shelter access to its Line of Credit Control System (LOCCS) effective on the program start date for both programs – February 1, 2017 for Clean and Sober Living and October 1, 2017 for Lompoc Transformative Housing, in which case Good Samaritan Shelter would draw down 100% of the funds for both programs directly from HUD, and the subrecipient agreements for both programs would be rescinded. However, since HUD states that they cannot confirm the effective dates for LOCCS access until they receive the executed Grant Amendment Agreements, recommended actions c) and d) provide flexibility should Good Samaritan Shelter's access to LOCCS not extend back to the program start dates for either or both programs. In which case the County could still draw down funds for the interim period directly from HUD, amend the subrecipient agreement(s) to

reflect the actual dollars which pass through the County, and reimburse Good Samaritan Shelter based on their documentation of eligible costs incurred for the interim period. Good Samaritan Shelter would draw down funds for the remaining period directly from HUD LOCCS.

Recipients, or subrecipients, of CoC Program funds must provide cash or in-kind match that is no less than 25 percent of the award amount. Good Samaritan Shelter will continue to provide cash match for Clean and Sober Living and Lompoc Transformative Housing programs, as they have since CoC funds were first awarded for these programs.

Key Contract Risks:

The CoC Program is a federally-funded program subject to associated federal requirements. As the recipient of federal funds, the County was responsible for ensuring that CoC Program funds are used in accordance with CoC Program requirements. The CoC Program Subrecipient Agreements are cost-reimbursement contracts. Should HUD determine that the County reimbursed Good Samaritan Shelter in error for ineligible costs, HUD would seek reimbursement from the County, who in turn would seek reimbursement from Good Samaritan Shelter. Designating Good Samaritan Shelter as the direct HUD grantee through the Grant Agreement Amendments would eliminate the County's liability should Good Samaritan Shelter directly draw down HUD funds for ineligible costs.

Should the Board of Supervisors approve the grant amendments designating Good Samaritan Shelter as the direct HUD grantee for the Clean and Sober Living and Lompoc Transformative Housing programs, the only other CoC Program subrecipient going forward will be the United Way of Northern Santa Barbara County (United Way) for the Coordinated Entry System. This CoC grant was newly awarded in the 2017 CoC Program Competition. Under this grant, the United Way will work closely with the County and CoC Board and membership to manage the new Coordinated Entry System which was successfully implemented on January 23, 2018, as mandated by HUD. Because this is a new program, the County will maintain the oversight responsibilities as direct grantee through at least the initial grant term. In the future, the County and the United Way may consider requesting a grant amendment naming the United Way as a direct grantee with HUD.

Special Instructions:

Please email an electronic copy of the Minute Order to Dinah Lockhart at dlockhart@co.santa-barbara.ca.us.

Attachments:

- A. Grant Agreement Amendment and 2016 Continuum of Care Grant Agreement for the Clean and Sober Living Program
- B. Grant Agreement Amendment and 2016 Continuum of Care Grant Agreement for the Lompoc Transformative Housing Program
- C. 2016 CoC Program Subrecipient Agreement for the Clean and Sober Living Program
- D. 2016 CoC Program Subrecipient Agreement Amendment for the Clean and Sober Living Program
- E. 2016 CoC Program Subrecipient Agreement Rescission for the Clean and Sober Living Program
- F. 2016 CoC Program Subrecipient Agreement for the Lompoc Transformative Housing Program
- G. 2016 CoC Program Subrecipient Agreement Amendment for the Lompoc Transformative Housing Program

- H. 2016 CoC Program Subrecipient Agreement Rescission for the Lompoc Transformative Housing Program
- I. CEQA Notice of Exemption

Authored by:

Dinah Lockhart, Deputy Director, Housing and Community Development Division (805-568-3523)