



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: July 7, 2020
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: 2020 State of California Emergency Solutions Grants Program Funding Application

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) Authorize the Community Services Director or designee to submit a funding application in an amount not to exceed \$624,192.00 and all certifications, standard forms, and other related documents to the State of California Department of Housing and Community Development (State HCD) for the 2020 Emergency Solutions Grant (ESG) program competition;
- b) Adopt a Resolution authorizing the acceptance and administration of State ESG funds for 2020 (Attachment A);
- c) Authorize the Community Services Director, or designee(s), to execute all certifications, standard forms, and grant agreement in a form substantially similar to the FY2018 grant agreement included as Attachment B, and other related documents required for the acceptance and administration of 2020 State ESG funds;
- d) 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:

State HCD released their 2020 State ESG Notice of Funding Availability (NOFA) on February 28, 2020 with a May 28, 2020 deadline for submittal of the application to the State. The State subsequently issued an amended deadline of July 10, 2020. ESG seeks to address the needs of individuals and families who are homeless or at risk of homelessness. The program essentially funds five areas of need: 1) street outreach (SO), 2) emergency shelter (ES), 3) rapid re-housing (RRH), 4) homelessness prevention (HP), and 5) Homeless Management Information System (HMIS). The State requires that a signed Board of Supervisors Resolution accompany the funding application. Community Services Department (CSD) is requesting authorization to submit the application and accept a funding award in an amount not to exceed \$624,192. While the preliminary funding estimate for the Santa Maria/Santa Barbara Continuum of Care (CoC) provided by State HCD is \$312,096, State HCD advised the County, as the Administrative Entity (AE) for the CoC, to seek authorization to receive an award at least twice the preliminary estimate in the event that an unknown amount of recaptured funds is added to the CoC's 2020 State ESG award allocation after the application is submitted. State HCD provided similar guidance for the 2019 State ESG application; however, no additional funding was awarded beyond the preliminary funding estimate for the 2019 program year.

It is anticipated that staff will request Board authorization to enter into 2020 State ESG subrecipient agreements with the selected service providers at a future meeting

Background:

Emergency Solutions Grant Program (ESG)

ESG is a federally funded program that seeks to address the needs of individuals and families who are homeless or at risk of homelessness. HUD awards ESG funds on a formula basis to metropolitan cities, urban counties, states, and territories for five program components: street outreach (SO), emergency shelter (ES), rapid re-housing (RRH), homelessness prevention (HP), and Homeless Management Information System (HMIS). Metropolitan cities and urban counties may carry out eligible activities directly or subgrant all or part of their ESG funds to private nonprofit organizations to carry out such activities. States must subgrant all of their ESG funds, except for the amount allowed for administration, to units of general-purpose local government and/or private nonprofit organizations to carry out eligible activities.

State ESG

State HCD distributes State ESG funds on a formula basis through two funding pools: (1) "Continuum of Care Allocation" for service areas that contain a city or county that receives ESG funds directly from HUD and (2) "Balance of State Allocation" for service areas that do not contain such a city or county. The Santa Maria/Santa Barbara Continuum of Care (CoC) Service Area, which is the geographic area located within the boundaries of Santa Barbara County, qualifies for the Continuum of Care Allocation as the County is eligible to receive an allocation of ESG funds directly from HUD, although because of federal funding levels, the County will not receive a direct allocation from HUD in 2020.

Continuum of Care allocations from the State must be administered by an Administrative Entity (AE)—a unit of general-purpose local government approved by State HCD to administer State ESG funds. The Board of Supervisors accepted the original AE designation on May 3, 2016. On March 19, 2018, State

HCD renewed the County’s status as the AE for State ESG funds for the Santa Maria/Santa Barbara CoC Service Area. As AE, the County is responsible for complying with federal and state requirements governing the administration of State ESG funds. The 2020 competition will be the fifth funding cycle for which the County is serving as the AE.

Funding Process

State HCD released their 2020 State ESG NOFA on February 28, 2020 with a May 28, 2020 deadline for submittal of the application to the State. The State subsequently issued an amended deadline of July 10, 2020. The State requires that a signed Board of Supervisors Resolution accompany the funding application. Community Services Department (CSD) is requesting authorization to submit the application and accept a funding award in an amount not to exceed \$624,192. While the preliminary funding estimate provided by State HCD is \$312,096, State HCD advised the County to seek authorization to receive an award at least twice the preliminary estimate in the event that an unknown amount of recaptured funds is added to the 2019 State ESG award after the application is submitted. State HCD provided similar guidance for the 2019 State ESG application; however, no additional funding was awarded beyond the preliminary funding estimate for the 2019 program year.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$ 46,000.00		
State	\$ 312,096.00		
Federal			
Fees			
Other:			
Total	\$ 358,096.00	\$ -	\$ -

Pursuant to direction provided by the Board of Supervisors on May 3, 2016 and approval of the Fiscal Year 2018-2019 Recommended Budget, \$46,000 in General Fund contributions have been allocated to support CSD in its administration of State ESG funds.

The amount State HCD will allocate in 2020 State ESG funds to the CoC Service Area may be more than the preliminary estimate of \$312,096 because State HCD may include an unknown amount of recaptured funds in the 2020 State ESG competition. The State provided similar guidance for the 2019 State ESG program but no recaptures funds were ultimately included for the 2019 program year. Of the final allocation, the County will likely be able to retain 2.5% for the administration of State ESG. Providers selected for funding will be required to submit documentation of eligible revenues and expenditures to substantiate the 100% ESG match requirement. The County will submit documentation of the 100% match requirement for administration funds.

Key Contract Risks:

The County, as AE, assumes responsibility for the administration of State ESG funds in accordance with all federal and state requirements governing their use. In addition, the County would be held liable if it or any provider to which it sub-grants State ESG funds is found to be non-compliant with applicable requirements.

Special Instructions:

- 1) Please email an electronic copy of the Minute Order to Dinah Lockhart at dlockhart@sbccsd.org.
- 2) Please execute two (2) originals of the Resolution (Attachment A) and return one (1) original to Dinah Lockhart (x3523).

Attachments:

- A. Resolution
- B. FY2018 State ESG Grant Agreement

Authored by: Dinah Lockhart, Housing and Community Development Division (805-568-3523)