



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: May 21, 2019
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: 2019 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 \$700,000, and all certifications, standard forms, and other related documents to the State of California Department of Housing and Community Development (State HCD) for the 2019 Emergency Solutions Grant (ESG) program competition;
- b) Adopt a Resolution authorizing the acceptance and administration of State ESG funds for 2019 (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 FY2017 grant agreement included as Attachment B, and other related documents required for the acceptance and administration of 2019 State ESG funds;
- d) Approve recommendations for the distribution of 2019 State ESG funds as follows:
 - 1) Direct staff to allocate 2019 State ESG funds to the 2018 State ESG recipients in the same proportionate amounts for the same projects awarded through the 2018 State ESG Notice

of Funding Availability (NOFA) if the 2019 State ESG award is within 20% of the 2018 State ESG award amount of \$336,401; and

- 2) Direct staff to issue a 2019 State ESG local NOFA if the 2019 State ESG award is 20% more or less than the 2018 State ESG award amount of \$336,401.
- e) 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 2019 State ESG Notice of Funding Availability (NOFA) on March 29, 2019 with a May 30, 2019 deadline for submittal of the application to the State. The State subsequently issued an amended deadline of July 31, 2019 for several jurisdictions impacted by a 2018 FEMA declared major disaster, including the County of Santa Barbara. 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 \$700,000. While the preliminary funding estimate for the Santa Maria/Santa Barbara Continuum of Care (CoC) provided by State HCD is \$328,840, 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 2019 State ESG award allocation after the application is submitted. State HCD provided similar guidance for the 2018 State ESG application; however, no additional funding was awarded beyond the preliminary funding estimate for the 2018 program year.

In July of 2018, the County Community Services Department (CSD) conducted a local Notice of Funding Availability (NOFA) process to identify qualified service providers to conduct ESG-eligible activities under the 2018 State ESG program. At that time, consistent with approval from the State of California and as described in the July 17, 2018 Board Letter, the 2018 NOFA advised applicants that should the 2019 State ESG award be within 20% of the 2018 award, no local NOFA would be conducted and 2019 State ESG funds would be distributed based on the 2018 award amounts, adjusted proportionally to account for changes in funding less than 20%, and contingent on the satisfactory performance of program subrecipients. The final funding award to the County through the 2018 State ESG program was \$336,401, the same amount as the preliminary estimate for that award. The preliminary estimate for the 2019 State ESG program is \$328,840, a reduction of 2.2% from the 2018 award. Thus, CSD is seeking direction to proceed with distributing 2019 funds in a manner that continues the funding that was awarded through the 2018 local NOFA. This means that three (3) agencies that received 2018 State ESG funding will also receive 2019 State ESG funding, thereby ensuring continuity of program operations. Those agencies are Good Samaritan Shelter, PATH, and New Beginnings Safe Parking. During the 2018 State ESG local NOFA process one other applicant – Santa Ynez Valley People Helping People – was not recommended for funding.

Projects that were awarded funding through the 2018 State ESG local NOFA, their final 2018 award, and the proportionally adjusted 2019 estimated award are summarized in Table 1 below.

Table 1: 2018 State ESG Final Funding Awards and Proposed 2019 Continuation Funding

Applicant	Project Title	Component	2018 Final Award	2019 Continuation Funding (Est.)
Good Samaritan Shelter	Emergency Shelter & Rapid Re-housing	ES	\$100,000	\$ 97,750
		RRH	\$ 60,782	\$ 59,414
NBCC	Safe Parking and Homeless Outreach Program	RRH	\$ 72,000	\$ 70,380
		SO	\$ 8,000	\$ 7,820
PATH Santa Barbara	PATH SB Street Outreach and Emergency Shelter	ES	\$ 86,173	\$ 84,235
County of Santa Barbara	Administration	Admin	\$ 9,446	\$ 9,241
Total			\$336,401	\$328,840

Should the final funding amount for the 2019 State ESG program be augmented with recaptured funds to the extent that the amount awarded to the County exceeds the 2018 State ESG final award of \$336,401 by more than 20%, CSD will conduct a local NOFA for the 2019 State ESG program post-award, and seek Board authorization for distribution of the augmented funding before entering into subrecipient agreements with service providers. CSD would also conduct a local NOFA for the 2019 program if the award is 20% less than the 2018 award; or if any of the subrecipients are out of compliance with the terms of their respective subrecipient agreements regardless of the final funding amount. If a local NOFA is issued for the 2019 program, and the 2020 State ESG award is within 20% of the final 2019 award amount, then no local NOFA would be conducted for the 2020 State ESG award and 2020 funds would be distributed in a manner that continues the funding that was awarded through the 2019 local NOFA on a proportional basis. If CSD does not issue a local NOFA for the 2019 program, a local NOFA for the 2020 State ESG program will be conducted regardless of the funding amount. This is in keeping with CSD’s goal of holding a local NOFA process at least every other year to ensure all eligible programs have access to State ESG funds.

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 2019.

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 2019 competition will be the fourth funding cycle for which the County is serving as the AE.

Funding Process

State HCD released their 2019 State ESG NOFA on March 29, 2019 with a May 30, 2019 deadline for submittal of the application to the State. The State subsequently issued an amended deadline of July 31, 2019 for several jurisdictions impacted by a 2018 FEMA declared major disaster, including the County of Santa Barbara. 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 \$700,000. While the preliminary funding estimate provided by State HCD is \$328,840, 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 2018 State ESG application; however, no additional funding was awarded beyond the preliminary funding estimate for the 2018 program year.

In July of 2018, the County Community Services Department (CSD) conducted a local Notice of Funding Availability (NOFA) process to identify qualified service providers to conduct ESG-eligible activities under the 2018 State ESG program. The Continuum of Care Review and Rank Committee (CoCRRC), charged with making funding recommendations for competitively awarded State and Federal funds, reviewed proposals received. Comprised of non-conflicted members of the local CoC, the CoCRRC reviewed all proposals received and interviewed staff from applicant agencies. The recommendations of the CoCRRC were incorporated into the application submitted to State HCD on August 7th, 2018. The County received notification of a 2018 State ESG final award of \$336,401 in a letter from State HCD dated March 14, 2019. It is anticipated that staff will request Board authorization to enter into 2018 State ESG subrecipient agreements with the three selected service providers at the June 4, 2019 Board of Supervisors meeting. Service providers selected were Good Samaritan Shelter, PATH, and New Beginnings Safe Parking. During the 2018 State ESG local NOFA process one other applicant – Santa Ynez Valley People Helping People – was not recommended for funding. The CoCRRC prioritized State ESG dollars to sustain the two Emergency Shelters (Good Samaritan and PATH), and operate New Beginnings’ Safe Parking program.

Continuing Grant/Renewal Process for 2019

Also in July, 2018, consistent with approval from the State of California, the 2018 local NOFA advised applicants that should the 2019 State ESG award be within 20% of the 2018 award, no local NOFA would be conducted for 2019 State ESG funds, and that funds would be distributed based on the 2018 award

amounts, adjusted proportionally to account for changes in the funding award up to 20%. The final funding award to the County through the 2018 State ESG program was \$336,401, the same amount as the preliminary estimate. The preliminary estimate for the 2019 State ESG program is \$328,840, a reduction of 2.2%. At this time CSD is seeking direction to proceed with distributing 2019 State ESG program funds in a manner that continues the funding that was awarded through the 2018 local NOFA. The three (3) agencies selected for 2018 State ESG funding would receive 2019 State ESG funding without a new competitive process. This approach helps ensure continuity of program operations. As previously noted, those agencies are Good Samaritan Shelter, PATH, and New Beginnings Safe Parking.

The 2018 NOFA also established performance criteria that subrecipients needed to meet in order to receive continuing funding:

- Demonstrate adequate program and administrative capacity;
- Demonstrate adequate program performance with respect to numbers served, outcomes, and quality service delivery consistent with State ESG Program Objectives, Requirements and Core Practices; and,
- Continue to participate in the Santa Barbara County HMIS or comparable database (as determined by the County).

Prior to submitting the 2019 State ESG funding application to the State, CSD staff will conduct an internal review of each of the 2018 subrecipients to determine they meet the above criteria. All of the 2018 subrecipients received funding under the 2017 State ESG Program, so the review will be based on current performance under their 2017 ESG subrecipient agreements, and formal ESG program monitorings that CSD staff has conducted over the last year. Technical assistance will be provided in any areas of concern. If any of the subrecipients are out of compliance with the terms of their respective subrecipient agreements, CSD will issue a local NOFA for 2019 State ESG funds regardless of the final funding amount.

Projects that were awarded funding through the 2018 State ESG local NOFA, their final 2018 award, and the proportionally adjusted 2019 estimated award are summarized in Table 1, above.

Board Approval Process

Should the final funding amount for the 2019 State ESG program change by more than 20% from the 2018 award amount; ; or if any of the subrecipients are out of compliance with the terms of their respective subrecipient agreements regardless of the final funding amount. CSD will conduct a local NOFA for the 2019 State ESG program post-award and seek Board authorization for distribution of funds before entering into 2019 subrecipient agreements with service providers.

The County received formal notification of the 2018 State ESG final award of \$336,401 in a letter from State HCD dated March 14, 2019. It is anticipated that staff will request Board authorization to enter into 2018 State ESG subrecipient agreements with the selected service providers at their June 4, 2019 meeting, and will also request Board authorization to extend and amend the 2018 subrecipient agreements for the 2019 award should the final funding amount for the 2019 State ESG program remain within 20% of the 2018 award.

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	\$ 328,840.00		
Federal			
Fees			
Other:			
Total	\$ 374,840.00	\$ -	\$ -

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 2019 State ESG funds to the CoC Service Area may be more than the preliminary estimate of \$328,840 because State HCD may include an unknown amount of recaptured funds in the 2019 State ESG competition. The State provided similar guidance for the 2018 State ESG program but no recaptures funds were ultimately included for the 2018 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. FY2017 State ESG Grant Agreement

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