



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: November 7, 2017
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: State of California Emergency Solutions Grants Program Funding Revised Resolution

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve revised recommendations for the distribution of \$524,945 in State of California Emergency Solutions Grants Program (State ESG) funds to the following providers in the specified amounts in 2017 and, provided the amount available for distribution to subrecipients does not change by more than 20%, the same proportionate amounts in 2018:
 - i) \$214,673 to Good Samaritan Shelter for the Emergency Shelter and Rapid Re-housing project;
 - ii) \$103,424 to Transition House for the Emergency Shelter and Rapid Re-housing project;
 - iii) \$103,424 to Carrillo Counseling Services, Inc. for the Safe Parking and Homeless Outreach Program; and
 - iv) \$103,424 to PATH Santa Barbara for the PATH Santa Barbara Street Outreach and Emergency Shelter project;
- b) Approve CSD staff recommendation that \$38,951, the maximum amount allowable of 2017 State ESG funds, be allocated for the implementation of the Santa Maria/Santa Barbara County Continuum of Care (CoC) Coordinated Entry System (CES); and, approve allocation of the maximum amount allowed by State ESG for CES in 2018;

Auditor-Controller Concurrence

As to form: Yes

- c) Approve CSD staff recommendation that the County retain the maximum amount allowed by State ESG for program administration in 2017 and 2018;
- d) Adopt a revised Resolution authorizing the acceptance and administration of State ESG funds for 2017 and 2018 (Attachment A);
- e) Authorize the County Executive Officer or her designee(s) to execute all certifications, standard forms, grant agreements in a form substantially similar to the FY2016 grant agreement included as Attachment B, and other related documents required for the acceptance and administration of 2017 and 2018 State ESG funds; and
- f) 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, and direct staff to file a Notice of Exemption (Attachment C).

Summary Text:

The State of California Department of Housing and Community Development (State HCD) receives an annual allocation of Emergency Solutions Grant Program (ESG) funds from the U.S. Department of Housing and Urban Development (HUD) to assist individuals and families who are homeless or at risk of homelessness throughout the state. State HCD distributes its allocation of ESG (State ESG) funds to qualifying cities and counties, such as the County of Santa Barbara, that are designated as Administrative Entities (AE). An AE is responsible for administering State ESG funds for their respective service areas.

At the recommendation of the State of California, the County Community Services Department (CSD) began its local Notice of Funding Availability (NOFA) process prior to the release date of the State HCD NOFA because it was anticipated that the turn-around for the application would be very short. On May 16, 2017 the Board of Supervisors approved the distribution of \$507,826 in State ESG funds among subrecipient providers as recommended by the CoC Review and Rank Committee, based on a preliminary funding estimate of \$527,493, of which \$19,667 was to be retained by the County for administration.

The revised recommendations are made after State HCD released their first NOFA on June 6, 2017 then rescinded it and re-released a revised NOFA on July 26, 2017. The funding allocation for the County was revised several times, and the State added a new funding component to allow, at the discretion of the AE, local continuums of care to use a portion of funding to support the implementation of a Coordinated Entry System (CES) mandated by HUD to be operational in January 2018. Given the immediate need for funding to meet the HUD CES mandate, CSD staff recommends that the maximum amount of State ESG funds allowed, \$38,951, be allocated to CES. These funds are anticipated to be packaged with other public and private funds designated for CES (e.g., CoC funding) and awarded to a local non-profit to serve as CES Coordinating Agency through a competitive process currently underway. The result of this process, and a request for approval of any funds awarded for CES, will be presented to the Board in late 2017 or early 2018.

The final State ESG funding allocation for the County was \$583,706. Of that, the maximum allowable, \$19,810 will be retained by the County for administration and \$38,951 is recommended to be allocated for CES. The balance of \$524,945, is available to be distributed to the four agencies initially selected for funding by the CoC Review and Rank Committee. This amount is well within 20% of the \$507,826 approved by the Board on May 16, 2017; thus, the additional \$17,119 (\$524,945-\$507,826) was distributed proportionally across the four subrecipient agencies recommended for funding.

The final 2017 subrecipient award amounts will also be the basis for continuing/renewal funding for the 2018 State ESG competition, provided that the 2017 funded-agencies continue to meet specific performance and administrative benchmarks. CSD staff recommends that the County continue to take the maximum amount allowable for administration in 2018 to help meet the County's cost of administering the State ESG grant; and that the maximum allowable in 2018 be allocated for CES in order to ensure the sustainability of this important and HUD-mandated component of the continuum of care. If the amount of the 2018 State ESG award available for distribution to subrecipients – the total award less the maximums allowable for administration and CES - is within 20% of the final 2017 funding recommendations, a NOFA will not be issued in 2018 and funding will be adjusted proportionally and incorporated into the 2018 subrecipient agreements. These subrecipient agreements will be presented to the Board for final approval; and no formal competition will be held until the 2019 State ESG competition. If however, the difference between the 2017 and 2018 funding allocations available for distribution to subrecipients is greater or less by 20%, a formal competition will be held locally in 2018.

At this time, CSD seeks approval from the Board of Supervisors for the revised distribution of the 2017 State ESG funds among providers as recommended by the CoC Review and Rank Committee and a proportional adjustment in 2018 in the event that the amount available for distribution to subrecipients is within 20% of the 2017 amount available for distribution to subrecipients (Recommended Action 'a'); approval of CSD staff recommendation that \$38,951, the maximum amount allowable of 2017 State ESG funds, be allocated for the implementation of the HUD-mandated countywide CES; and, allocation of the maximum amount allowed by State ESG for CES in 2018 (Recommended Action 'b'); approval of CSD staff recommendation that the County retain the maximum amount allowed by State ESG for program administration in 2017 and 2018 (Recommended Action 'c'); approval of a Resolution with State-provided language, authorizing the acceptance and administration of State ESG funds (Recommended Action 'd'); and authorization to execute documents required for the administration of State ESG funds (Recommended Action 'e') for both 2017 and 2018. The revised funding distribution will be incorporated in the County's State ESG grant agreement with the State.

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, emergency shelter, rapid re-housing, homelessness prevention, 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 County Continuum of Care (CoC) Service Area, which is the geographic area located within the boundaries of Santa Barbara County, qualifies under 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 2017.

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. On March 30, 2016, State HCD approved the County as the AE for State ESG funds for the Santa Maria/Santa Barbara CoC Service Area. The Board of Supervisors accepted the AE designation on May 3, 2016. As AE, the County is responsible for complying with federal and state requirements governing the administration of State ESG funds.

Funding Process

At the recommendation of the State of California, the CSD began its local Notice of Funding Availability (NOFA) process prior to the release date of the State HCD NOFA because it was anticipated that the turn-around for the application would be very short. CSD issued a Notice of Funding Availability (NOFA) on February 16, 2017 to solicit applications for State ESG funds estimated to be available for the CoC Service Area. CSD held an applicant workshop in Santa Barbara on February 21, 2017 to provide interested applicants with an overview of State ESG requirements and funding process. Six applications requesting a total of \$1,033,364 were submitted by the deadline of March 3, 2017.

County HCD convened the CoC Review and Rank Committee on March 17, 2017 to evaluate applications submitted in response to the NOFA and recommend applications and funding amounts for approval to the Board of Supervisors. Since the final State ESG funding allocation had not yet been received, the Committee recommended that any changes within 20% of the amount recommended for distribution to subrecipients could be distributed among the agencies recommended for funding on a proportional basis. On May 16, 2017 the Board of Supervisors approved the distribution of \$507,826 in State ESG funds among subrecipient providers as recommended by the CoC Review and Rank Committee, based on the preliminary funding estimate of \$527,493, of which \$19,667 was to be retained by the County for administration.

State HCD released their first NOFA on June 6, 2017 but rescinded it and re-released a revised NOFA on July 26, 2017. The funding allocation for the County was revised several times, and the State added a new funding component to allow, at the discretion of the AE, local continuums of care to use a portion of funding to support the implementation of a Coordinated Entry System (CES) mandated by HUD to be operational in January 2018. Given the immediate need for funding to meet the HUD CES mandate, CSD staff recommends that the maximum amount of 2017 State ESG funds allowed, \$38,951, be allocated to CES. These funds will be packaged with other public and private funds designated for CES (e.g., CoC funding) and awarded to a local non-profit to serve as CES Coordinating Agency through a competitive process currently underway. The result of this process, and a request for approval of any funds awarded for CES, will be presented to the Board in late 2017 or early 2018.

The final State ESG funding allocation for the County was \$583,706. Of that, \$19,810, the maximum amount allowable, will be retained by the County for administration and \$38,951, the maximum amount allowable, is recommended to be allocated for CES. The balance of \$524,945, is available to be distributed to the four subrecipient agencies initially selected for funding by the CoC Review and Rank Committee. This amount is well within 20% of the \$507,826 approved by the Board on May 16, 2017; thus, the additional \$17,119 (\$524,945-\$507,826) was distributed proportionally across the four agencies recommended for funding resulting in the final allocation in Table 1, below.

Table 1: Final Funding Recommendations by Application

Applicant	Project Title	Component	Request (\$)	Component Rec. (\$)	Applicant Rec. (\$)
Good Samaritan Shelter	Emergency Shelter & Rapid Re-housing	ES	150,000	102,325	214,673
		RRH	105,500	112,348	
Transition House	Emergency Shelter and Rapid Rehousing	ES	125,450	63,796	103,424
		RRH	58,050	31,378	
		HMIS	16,500	8,250	
Carrillo Counseling Services, Inc.	Safe Parking and Homeless Outreach Program	RRH	159,178	93,524	103,424
		HMIS	17,686	9,900	
PATH Santa Barbara	PATH SB Street Outreach and Emergency Shelter	SO	50,000	0	103,424
		ES	150,000	103,424	
Domestic Violence Solutions for Santa Barbara County	County-wide Domestic Violence Emergency Shelter	ES	101,000	0	0
Santa Ynez Valley People Helping People	Mid Santa Barbara County	RRH	30,000	0	0
	Rapid Rehousing	HP	70,000	0	
Total			1,033,364	524,945	524,945

The State requires that 40% of funds be spent on Rapid Re-Housing activities. In order to meet this requirement with the larger funding allocation, one agency was awarded slightly more than their request for the Rapid Re-Housing component.

Continuing Grant/Renewal Process

The final 2017 subrecipient award amounts will also be the basis for continuing/renewal funding for the 2018 State ESG competition, provided that the 2017 funded-agencies continue to meet specific benchmarks, including:

- 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).

If the 2018 State ESG award, less the maximum amounts allowable for administration and CES, is within 20% of the final 2017 funding recommendations, a NOFA will not be issued and funding will be adjusted proportionally and incorporated into the 2018 subrecipient agreements for the four subrecipient agencies recommended for funding in Recommended Action ‘a’. These subrecipient agreements will be

presented to the Board for final approval; and no formal competition will be held until the 2019 competition. If however, the difference between the 2017 and 2018 funding allocations available for distribution to subrecipient agencies is greater or less by 20%, a formal competition will be held in 2018.

State HCD Award Process

County HCD submitted their application package to the State by the extended deadline of September 1, 2017. In conducting their initial review of the County’s application, the State requested that the County submit a new Resolution that specified the June 6th date of the initial release of the State NOFA. It is anticipated that the State will complete their application review and announce funding awards in late 2017.

Board Approval Process

At this time, staff is requesting that the Board of Supervisors authorize the acceptance and administration of State ESG funds for both 2017 and 2018, provided the State award in 2018, less the maximum amounts allowable for administration and CES, is within 20% of the final 2017 State ESG allocation available for distribution - \$524,945.

After State HCD approves the funding award, which is anticipated in late 2017, the State and County will enter into an agreement specifying the uses of 2017 State ESG funds detailed in the Recommended Actions ‘a’, ‘b’, ‘c’ and ‘d’ in this Board Letter. CSD will then return to the Board of Supervisors for the approval and execution of subrecipient agreements with the four agencies recommended for funding in Recommended Action ‘a’.

A separate Board of Supervisors Agenda Letter describing the process for selecting the CES Coordinating Agency, and requesting Board authorization to award the \$38,951 in 2017 State ESG funds and any other public funds available under the jurisdiction of the County (e.g., CoC funds), and requesting the approval and execution of a subrecipient agreement with the selected provider, will be submitted subsequent to completion of the CES Coordinating Agency competitive process.

In 2018, staff will request any necessary Board of Supervisors approval based on changes to the State ESG funding allocation, or will provide the Board with an update should no further approvals be required.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

General Fund	\$	46,000.00			
State	\$	583,706.00			
Federal					
Fees					
Other:					
Total	\$	629,706.00	\$	-	\$ -

State HCD has allocated \$583,706 in State ESG funds to the CoC Service Area for the 2017 operating year. Of that amount, \$524,945 will be distributed to providers for the delivery of eligible activities. Of the balance, \$19,810 will be retained by CSD for administration and \$38,951 will be set-aside for CES,

to be packaged with other funds and awarded to a local non-profit to serve as CES Coordinating Agency through a competitive process currently underway.

As part of the FY2016-2017 Budget Hearings, the Board of Supervisors approved \$46,000 in ongoing General Fund contributions to support CSD in its administration of State ESG 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, it 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. FY2016 State ESG Grant Agreement
- C. CEQA Notice of Exemption

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