



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: December 5, 2023
Placement: Administrative
Estimated Tme: 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:
Contact Info: Joseph Dzvonic, Deputy Director (805) 568-3523
SUBJECT: Approval of Subrecipient Agreement with The Salvation Army for COVID 19 Housing and Homelessness Recovery Plan Using American Rescue Plan Act of 2021 (ARPA) Funds

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair of the Board of Supervisors to execute a Subrecipient Agreement with The Salvation Army for the distribution of American Rescue Plan Act (“ARPA”) funding for COVID-19 Recovery in Housing and Homelessness, subject to annual appropriations and budget approval, for an amount not to exceed \$657,000, to provide 12 double occupancy rooms for non-congregate shelter from December 5, 2023, to December 31, 2024 (“ARPA Subrecipient Agreement”); and
- b) Approve offsetting funding adjustments to ARPA State and Local Fiscal Recovery Fund (SLFRF) Health and Human Services projects between Homekey Match and Homeless Encampment Strategy; and
- c) Determine that the above recommended actions are exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(4) as the actions involve the creation of government funding mechanisms or other government fiscal activities which do not involve a commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

The Salvation Army has, since November 2022, successfully operated a Project Roomkey non-congregate shelter comprised of 12 double occupancy rooms for unsheltered individuals, located on the remodeled 3rd floor of Hospitality House, 423 Chapala Street, Santa Barbara, 93101. This is a site known to be available for immediate occupancy by persons with chronic health conditions and/or over the age of 55, and other people experiencing homelessness.

Since Board of Supervisors approval of California Department of Social Services (“CDSS”) Project Roomkey funds on November 1, 2022, this new shelter has served 57 homeless individuals, providing them supportive services and safe, temporary housing appropriate to their needs.

CDSS funding for this project will be exhausted by December 15, 2023. Staff recommends the approval of a new Subrecipient Agreement between the Salvation Army and the County, to be administered by the County’s Community Services Department, Housing and Community Development Division (CSD-HCD) to extend Hospitality House Project Roomkey operations for approximately 13 months with ARPA funding.

The recommended action approves ARPA funding in the amount of \$657,000 for this purpose during the period of December 5, 2023, through December 31, 2024. The sources of the \$657,000 include \$250,000 that was previously allocated towards personal property storage expenses as part of encampment resolution, and \$407,000 previously allocated to potential State Homekey match funding.

Background:

In early 2022, the third floor of the Hospitality House became available after the expiration of a contract for use of that space as a residential treatment facility. Hospitality House is a modern, well maintained structure. The Salvation Army renovated the third floor into individual rooms, and is a trusted provider of shelter and services for persons experiencing homelessness.

On November 1, 2022, the Board of Supervisors authorized a subrecipient agreement between CSD-HCD and The Salvation Army to administer the distribution of CDSS Project Roomkey funds (“Roomkey Subrecipient Agreement”) to provide new non-congregate shelter through September 30, 2023, in 12 newly remodeled double occupancy rooms at Hospitality House for unsheltered individuals with chronic health conditions and/or over the age of 55, and other people experiencing homelessness (“Project”). On September 22, 2023, that Roomkey Subrecipient Agreement was administratively amended to extend the term end date to December 15, 2023, based on utilization rates and the balance of available funding under the CDSS agreement.

The Hospitality House Roomkey Project has had significant local impact as a temporary housing option for unsheltered individuals. It has provided for 5,934 bed nights, serving 57 unduplicated individuals, including 24 characterized as chronically homeless. Since January 2023, after the initial operational ramp-up period, room utilization has averaged 96%, with a full (100%) utilization rate during 60% of the total operational time, based on nightly data through September 30, 2023.

The 13 months of additional shelter operational time that would be afforded via the ARPA Subrecipient Agreement allows for identification of a Federal or State alternative funding source to continue the Project after ARPA funds are exhausted. There are new and fully funded interim housing projects in active development that will add to the regional capacity to serve unhoused individuals, but their completion

timeline, new available shelter funding opportunities, and demand on the homelessness services system for new shelter are dynamic. The Project has established a demobilization plan that accounts for needs of clients in case no alternative funding source is identified for Project extension beyond December 31, 2024.

On October 19, 2021, the Board of Supervisors approved ARPA funding for Housing and Homelessness and allocated specific amounts to projects by tranches during the FY 2022-23 budget process. The County was not successful in identifying a Homekey project for North County to utilize the match funding allocation, and the State of California did not include new funds for Homekey in the fiscal year 2023-2024 budget. Over \$1 million remains allocated to potential future Homekey match funding obligations. Approved allocations are included in the County’s ARPA Recovery Plan Performance Report, as required by the U.S. Treasury Department.

Performance Measures:

The goals and performance measures summarize the number of rooms to be provided and persons/ households served, as well as the outcomes/performance measures for each project.

Goals

The Salvation Army, as Subrecipient, will provide the following levels of services during the term of the ARPA Subrecipient Agreement:

Emergency Shelter

	Goal
Total number of beds	24
Total number of bed-nights available	8,760
Total number of rooms	12
Total unduplicated number of persons served	36

Performance Measures

Subrecipient will meet the following performance measures during the term of the ARPA Subrecipient Agreement:

Emergency Shelter

	Goal
% of participants will move into permanent housing at project exit	30%
% of participants that will move to other sheltered environments at project exit	20%
% of adult participants gaining new or increasing existing earned income or cash benefits at project exit	20%

Fiscal and Facilities Impacts:

All current year costs for work conducted by the Subrecipient are budgeted within the CSD-HCD budget.

Fiscal Analysis:

General Fund			
State			
Federal		\$	657,000.00
Fees			
Other:			
Total	\$	-	\$ 657,000.00

Funding under the ARPA Subrecipient Agreement is to be used for providing non-congregate shelter rooms, meals, daily hygiene and case management services at a rate of \$150 per double occupancy room per night, and \$125 per single occupancy room per night. Subrecipient may request reimbursement under the ARPA Subrecipient Agreement on a quarterly basis following Subrecipient’s submission to the County of a daily census report of rooms and beds occupied. The County will work with other local outreach providers to encourage referrals to the Hospitality House with the goal of keeping occupancy at or above 9 rooms (75% occupancy).

Key Contract Risks:

The County assumes responsibility for the administration of ARPA funds in accordance with all federal and State requirements governing the use of such funds. In addition, the County would be held liable if it or any provider to which it grants funds is found to be non-compliant with respect to applicable requirements. The Salvation Army has successfully operated State and/or federally-funded projects in the past which have had similar regulatory and administrative requirements.

Payments to Subrecipient under the ARPA Subrecipient Agreement are to be made on a cost-reimbursement basis. This allows CSD-HCD to disburse funds for eligible incurred costs to the extent permitted by the ARPA Subrecipient Agreement. The County will only reimburse The Salvation Army as Subrecipient for costs that are actually incurred, eligible for reimbursement under the APRA Subrecipient Agreement, and documented in a manner that is acceptable to CSD-HCD. CSD-HCD staff will assess the performance of The Salvation Army under the ARPA Subrecipient Agreement to determine if the services provided are adequate and as outline in the ARPA Subrecipient Agreement.

Special Instructions:

- 1) Please email an electronic copy of the Minute Order to Kimberlee Albers at kalbers@co.santa-barbara.ca.us
- 2) Please execute two (2) original copies of each of the following documents and send to Kimberlee Albers:
 1. ARPA Subrecipient Agreement with The Salvation Army for up to \$657,000 for Hospitality House Roomkey Project

Attachments:

Attachment A: Subrecipient Agreement with The Salvation Army for Hospitality House Roomkey Project

Authored by: Matthew Rector, Housing Program Specialist II