



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 16, 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
Recommendations and Documentation

County Counsel Concurrence

As to form:

Other Concurrence: Risk Management

As to form:

Recommended Actions:

That the Board of Supervisors:

- a) Approve recommendations for the distribution of State of California Emergency Solutions Grants Program (State ESG) funds to the following providers in the specified amounts in 2017 and, provided the amounts do not change by more than 20%, the same proportionate amounts in 2018:
 - i) \$207,826 to Good Samaritan Shelter for the Emergency Shelter and Rapid Re-housing project;
 - ii) \$100,000 to Transition House for the Emergency Shelter and Rapid Re-housing project
 - iii) \$100,000 to Carrillo Counseling Services, Inc. for the Safe Parking and Homeless Outreach Program; and
 - iv) \$100,000 to PATH Santa Barbara for the PATH Santa Barbara Street Outreach and Emergency Shelter project;
- b) Adopt a Resolution authorizing the acceptance and administration of State ESG funds for 2017 and 2018 (Attachment A);

Auditor-Controller Concurrence

As to form:

- c) Authorize the County Executive Officer or her designee(s) to execute all agreements, certifications, standard forms, and other related documents required for the acceptance and administration of 2017 and 2018 State ESG funds; and
- 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, and direct staff to file a Notice of Exemption (Attachment B).

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. In 2017, State HCD anticipates awarding the County \$527,493 in State ESG funds, of which \$19,667 will be retained by the County for administration. The Santa Maria/Santa Barbara County Continuum of Care (CoC) Review and Rank Committee has recommended the balance, or \$507,826, for distribution among four providers.

The Community Services Department (CSD) seeks approval from the Board of Supervisors on the distribution of State ESG funds among providers as recommended by the CoC Review and Rank Committee (Recommended Action ‘a’), acceptance and administration of State ESG funds (Recommended Action ‘b’), and authorization to execute documents required for the administration of State ESG funds (Recommended Action c) for both 2017 and 2018.

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

Prior to 2016, State HCD competitively awarded its allocation of ESG funds statewide to units of general purpose local government and private nonprofit organizations to support homelessness assistance and homelessness prevention projects located in non-entitlement areas, or areas not covered by a metropolitan city or urban county. Following a program re-design in 2016, State HCD began distributing 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. A four-year funding history for State ESG-funded projects located in Santa Barbara County is attached as Attachment C.

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

State HCD has provided the County with a preliminary 2017 ESG allocation of \$527,493. Of that allocation, \$19,667 will be retained by the County for administration; \$507,826 is available for distribution to providers for the delivery of emergency shelter (ES), street outreach (SO), homeless prevention (HP), rapid re-housing (RRH), and HMIS activities; at least \$211,000 (40%) must be spent on RRH activities.

On behalf of the County as AE, CSD issued a Notice of Funding Availability (NOFA) (Attachment D) 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.

Pursuant to authorization granted by the Board of Supervisors, CSD convened the CoC Review and Rank Committee on March 17, 2017 to evaluate applications submitted in response to the NOFA and recommend applications for approval to the Board of Supervisors. The CoC Review and Rank Committee, a standing committee of the CoC that approves homelessness assistance projects for competitively-awarded federal funds under the Continuum of Care Program, is comprised of eight members identified in Table 1. All eight committee members received the application review packets, and those not in attendance were invited to submit comments or questions prior to the application review meeting. A quorum of five members (marked with a “*”) attended the application review meeting and formulated the recommendations contained in this report.

Table 1: CoC Review and Rank Committee Members

Name	Affiliation
Christie Alarcon	City of Lompoc
Rick Gulino*	Peoples’ Self-Help Housing
Wayne Mellinger*	Community Member
Nancy Madsen*	Community Member
Michele Mickiewicz*	Human Services Commission – County of Santa Barbara
Rosa Narez	City of Santa Maria
John Polansky*	Housing Authority of the County of Santa Barbara
Phylene Wiggins	Santa Barbara Foundation

The CoC Review and Rank Committee evaluated applications in accordance with the criteria approved by the CoC Board and contained in Exhibit B of the NOFA (Attachment D). Representatives from all six applicant agencies attended the meeting to make presentations regarding their application and answer questions from committee members. Given the demonstrated need in the community, County of Santa Barbara Consolidated Plan priorities, and ESG objectives and requirements at the federal and state levels, the committee chose to focus their funding recommendations on maintaining existing emergency shelter beds and rapid rehousing projects. Funding to assist applicants in meeting the HMIS participation requirement was also recommended. A summary of recommended amounts by application follows in Table 2.

Table 2: Funding Recommendations by Application

Applicant	Project Title	Component	Request (\$)	Component Rec. (\$)	Applicant Rec. (\$)
Good Samaritan Shelter	Emergency Shelter & Rapid Re-housing	ES	150,000	102,326	207,826
		RRH	105,500	105,500	
Transition House	Emergency Shelter and Rapid Rehousing	ES	125,450	62,725	100,000
		RRH	58,050	29,025	
		HMIS	16,500	8,250	
Carrillo Counseling Services, Inc.	Safe Parking and Homeless Outreach Program	RRH	159,178	91,000	100,000
		HMIS	17,686	9,000	
PATH Santa Barbara	PATH SB Street Outreach and Emergency Shelter	SO	50,000	0	100,000
		ES	150,000	100,000	
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 Rapid Rehousing	RRH	30,000	0	0
		HP	70,000	0	
Total			1,033,364	507,826	507,826

Recommended amounts are summarized by component in Table 3. Funding recommendations for the Rapid Re-housing component total 44%, thus meeting the State requirement that 40% of funds be spent on this activity.

Table 3: Funding Recommendations by Component

Component	Request (\$)	Recommendation (\$)
Emergency Shelter (ES)	526,450	265,051
Street Outreach (SO)	50,000	0
Rapid Re-housing (RRH)	352,728	225,525
Homeless Prevention (HP)	70,000	
Homeless Management Information System (HMIS)	34,186	17,250
Total	1,033,364	507,826

State HCD Award Process

State HCD estimates that notification of the final 2017 State ESG allocation amount and direction for submitting award documentation will be released in the coming weeks. Anticipating a short turnaround, State HCD advised AEs to begin their application processes early. As a result, pending Board of

Supervisors' approval, CSD will be able to submit award documentation to State HCD on a timely basis. Award documentation required by State HCD includes: (1) a list of providers and award amounts approved by the Board of Supervisors and (2) a resolution from the Board of Supervisors authorizing the acceptance and administration of State ESG funds (Attachment A).

Continuing Grant/Renewal Process

In response to Board of Supervisors' prior direction, CSD explored the option of executing continuing, or renewal, grants every other year, alternating with a full Notice of Funding Availability (NOFA) process. A streamlined renewal process would create greater administrative efficiencies for both the program applicants and CSD staff, while at the same time providing opportunities for substantial program changes and new applications every other year.

State HCD indicated that continuing/renewal grants would be permitted should the NOFA include language stating that intention. Such language was included in the 2017 NOFA (Attachment D), and the CoC Review and Rank Committee discussed the process to adjust funding recommendations to reflect changes to the State ESG funding allocation in non-NOFA years.

In order to qualify for a continuing/renewal grant, all projects must:

- 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).

The proposed process to adjust funding recommendations to reflect changes to the State ESG funding allocation in non-NOFA years is:

- If the year-to-year change in the State's funding allocation is 20% or less, no NOFA will be issued, and currently funded programs' budgets will be adjusted to reflect the change in the overall funding allocation. For example, if the 2018 funding allocation from the State is 15% less than the 2017 allocation, the funding recommendation for each project will be reduced by 15%. Agencies can choose in what category to make internal adjustments, so long as RRH, SO, HP and HMIS funding minimums and maximums are maintained. County staff will review/approve any changes to performance measures.
- If the change in the State's funding allocation is greater than 20%, each program will submit revised budgets and performance measures reflecting the new funding amount. The CoC Review and Rank Committee will convene to review the submissions and make funding recommendations.

CSD proposes using this same funding recommendation process should the current 2017 State ESG allocation change.

A full NOFA process will be conducted to make recommendations for the 2019 State ESG allocation and every-other year subsequently.

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 both years is within 20% of the preliminary 2017 State ESG allocation of \$527,493.

After State HCD approves the award documentation and enters into an agreement with the County for 2017 State ESG funds, CSD will return to the Board of Supervisors for the approval and execution of subrecipient agreements with selected providers. Any changes to the 2017 funding allocation will be reflected at that time.

If the Board approves the recommended actions, the subrecipient agreements will allow for the same proportional distributions from 2017 to be awarded to the chosen projects in 2018, unless the amounts vary by more than 20%.

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:

<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	\$ 527,493.00		
Federal			
Fees			
Other:			
Total	\$ 573,493.00	\$ -	\$ -

State HCD has allocated \$527,493 in State ESG funds to the CoC Service Area for the 2017 operating year. Of that amount, \$507,826 will be distributed to providers for the delivery of eligible activities. The balance, or \$19,667, will be retained by CSD for administration. Pursuant to direction provided by the Board of Supervisors on May 3, 2016 and pending approval of the Fiscal Year 2017-2018 and 2018-2019 Recommended Budgets, \$46,000 annually in General Fund contributions have been allocated 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. CEQA Notice of Exemption
- C. State of California Emergency Solutions Grants Program Funding History for Santa Barbara County
- D. Notice of Funding Availability, State of California Emergency Solutions Grants Program

Authored by: AJ Quinoveva, Housing and Community Development Division (805-560-1090)