



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: June 4, 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: Execution of State of California Emergency Solutions Grants (ESG) Program
Agreements for 2018 and 2019

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) Approve and authorize the Chair of the Board of Supervisors to execute subrecipient agreements for the distribution of 2018 State of California Emergency Solutions Grant Program (State ESG) funds with the following providers in the specified amounts:
 - i) \$160,782 to Good Samaritan Shelter for the Emergency Shelter and Rapid Re-housing project (Attachment A);
 - ii) \$80,000 to NBCC dba New Beginnings Counseling Center for the Safe Parking, Rapid Rehousing and Homeless Outreach Program (Attachment B); and,
 - iii) \$86,173 to PATH Santa Barbara for the PATH Santa Barbara Emergency Shelter project (Attachment C).

- b) Authorize the Director of Community Services to execute amendments to the above subrecipient agreements that extend the terms by up to two years and increase the agreement amounts by up to 120% of the above award amounts if the following conditions are met: (1) the 2019 State ESG award to the County is within 20% of the 2018 State ESG award to the County; (2) each subrecipient is in full compliance with the terms of their respective subrecipient agreements and have adequately performed as demonstrated by program monitoring and reporting; and (3) the

terms of the amendment otherwise comply with all applicable program rules and State and Federal statutes and regulations.

- c) 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:

Staff recommends that the Board approve and authorize the Chair to execute three 2018 State of California Emergency Shelter Grant (State ESG) Program subrecipient agreements with local homeless service providers (Recommended Action ‘a’). The recommended action approves funding recommendations from the Santa Maria/Santa Barbara County Continuum of Care (CoC) Review and Rank Committee based on a local Notice of Funding Availability (local NOFA) process held in July 2018 to determine the distribution of these funds. In addition to subrecipient funding, the County will use the allowable \$9,446 for grant administration. The term of the subrecipient agreements begins on July 1, 2019. All 2018 program funds must be expended by June 30, 2020 unless a written extension is allowable under the 2018 State ESG Standard Grant Agreement (2018 Standard Agreement) between the State of California Department of Housing and Community Development (State HCD) and the County and is approved in writing by the County Community Services Department (CSD).

On March 14, 2019, State HCD provided written notification to the County, as the Administrative Entity (AE) for the Santa Maria/Santa Barbara Continuum of Care (CoC), that the County has been awarded \$336,401 in 2018 State ESG funding. The award letter indicated that eligible costs can be incurred beginning March 14, 2019 – prior to execution of the 2018 Standard Agreement with the State, which was authorized by the Board on July 17, 2018. Because 2017 State ESG funds are currently available to the subrecipients through July 2019, the term for the 2018 State ESG subrecipient agreements will begin July 1, 2019. At this time, CSD is requesting authorization to enter subrecipient agreements prior to execution of the 2018 Standard Agreement with the State so the subrecipient agreements will be in place for the July 1, 2019 start-date. This will help ensure the uninterrupted provision of services to the community. It is anticipated that the 2018 Standard Agreement will be substantially similar to the 2017 Standard Agreement (Attachment D).

The July 2018 local NOFA for the 2018 State ESG award 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. This is consistent with approval from the State of California. The preliminary estimate for the 2019 State ESG program (\$328,840) is within 20% of the 2018 final award (\$336,401). Accordingly, at the May 21, 2019 Board meeting, the Board of Supervisors directed staff to allocate the 2019 State ESG funding to the 2018 State ESG subrecipients in the same proportionate amounts for the same projects if the actual 2019 State ESG award is within 20% of the 2018 State ESG award. Recommended action ‘b’ would authorize the Director of Community Services to effectuate these allocations by executing amendments to the 2019 State ESG subrecipient agreements. This delegation of authority would be

contingent on the subrecipients' full compliance with the terms of their respective subrecipient agreements and adequate performance as demonstrated by program monitoring and reporting.

CDS would conduct a local NOFA for the 2019 funding, post-award, if the final 2019 State ESG award is 20% more or less than the 2018 State ESG 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. In either instance, staff would return to the Board for authorization to distribute the 2019 funding before entering into 2019 subrecipient agreements with service providers.

A local NOFA for the 2020 State ESG program will be conducted should the 2019 funds be awarded through a continuation of the 2018 program. 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 and all subrecipients are found to be in compliance with their respective subrecipient agreements, 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:

State 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. Eligible activities include: street outreach, emergency shelter, rapid re-housing, homelessness prevention, and Homeless Management Information System (HMIS). 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" funding pool, as the County receives an allocation of ESG funds directly from HUD.

On March 30, 2016, State HCD approved the County as the Administrative Entity (AE) for State ESG funds for the 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 – 2018 State ESG

In June 2018, State HCD provided the County with a preliminary 2018 ESG allocation of \$336,401. \$9,446 was earmarked for County for administration and the remaining \$326,955 was included in a local Notice of Funding Availability (NOFA) that was issued on June 19, 2018. Four applications requesting a total of \$640,801 were submitted by the deadline of July 10, 2018.

Pursuant to authorization granted by the Board of Supervisors, CSD convened the CoC Review and Rank Committee on July 19, 2018 to evaluate applications submitted in response to the NOFA and to recommend projects to be included in the County's application to the State submitted on August 7, 2018. On March 14, 2019, State HCD provided written notification that the County had been awarded \$336,401

in 2018 State ESG funding. The Committee’s recommendations and final award amounts are summarized in Table 1.

Table 1: 2018 State ESG Funding Awards

Applicant	Project Title	Component	Request (\$)	Component Award (\$)	Applicant Award (\$)
Good Samaritan Shelter	Emergency Shelter & Rapid Re-housing	ES	119,861	100,000	160,782
		RRH	80,139	60,782	
NBCC	Safe Parking, Rapid Rehousing and Homeless Outreach Program	RRH	144,901	72,000	80,000
		SO	14,300	8,000	
PATH Santa Barbara	PATH SB Emergency Shelter & Rapid Rehousing	RRH	50,000	0	86,173
		ES	150,000	86,173	
Santa Ynez Valley People Helping People	Housing First Collaborative	RRH	81,600	0	0
County of Santa Barbara	Administration	Admin			\$9,446
Total			\$640,801	\$326,955	\$336,401

Funding Process – 2019 State ESG

The July 2018 local NOFA for the 2018 State ESG award 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 sub-recipients. This is consistent with approval from the State of California. The preliminary estimate for the 2019 State ESG program (\$328,840) is within 20% of the 2018 final award (\$336,401). Accordingly, at the May 21, 2019, the Board of Supervisors directed staff to allocate the 2019 State ESG funding to the 2018 State ESG subrecipients in the same proportionate amounts for the same projects if the actual 2019 State ESG award is within 20% of the 2018 State ESG award.

Should the final funding amount awarded to the County for the 2019 State ESG program differ by 20% more or less than the 2018 State ESG final award of \$336,401; 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 would conduct a local NOFA for 2019. In either instance, staff would return to the Board for authorization to distribute the 2019 funding before entering into 2019 subrecipient agreements with service providers.

If a local NOFA is issued for the 2019 program post-award, 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.

Subrecipient Agreements

The subrecipient agreements identify the terms and conditions by which the State ESG funds must be administered, including that funds to be paid to subrecipients under the agreement are subject to the

availability of funds from the State through the entire grant term. On page 5, Section VI (“General Conditions”) the agreements indicate the subrecipients are subject to federal, state, and County requirements. The agreements also include nine (9) attachments which detail the Scope of Services (Exhibit A), Budget and Payment Procedures (Exhibit B), Expenditure Summary and Payment Request (ESPR) (Exhibit C), Quarterly Status Report (Exhibit D), Federal Terms and Conditions (Exhibit E), Indemnification and Insurance Requirements (Exhibit F), Certification of Standards for Financial Management Systems (Exhibit G), Federal Award Identification Information (Exhibit H), and State Terms and Conditions (Exhibit I).

Because it is anticipated that the 2019 State ESG funding will represent a continuation of the 2018 program, at this time the Board is being asked to authorize the Director Community Services to amend and extend the 2018 subrecipient agreements to provide continuation grants for the 2019 State of California Emergency Solutions Grant Program provided that the final funding amounts for 2019 are within 20% of the 2018 amounts, and contingent on adequate performance by the subrecipients as demonstrated by program monitoring and reporting. The subrecipient agreement has been updated to reflect the ability to extend and amend the agreement for 2019 funds. Exhibits A, B, C, and D will also be amended to reflect the scope of work and funding amounts for the 2019 State ESG program.

Performance Measures:

The three subrecipients will provide quarterly reports to the County on services provided. The following tables summarize project outcomes according to goals and performance measures. Program design, funding allocations, and the characteristics of homeless individuals and households served by each subrecipient vary and impact the project outcome percentages and numbers of persons and households served. In addition, the implementation of the HUD-mandated CES means that ESG-funded rapid rehousing programs will be serving those individuals and households that are most vulnerable, have the greatest needs, and require the most intensive services to be successful in their housing placement. This may result in fewer households served, but higher levels of housing placement and retention.

Table 4: Goals

Goal	Good Samaritan Shelter	NBCC	PATH Santa Barbara
Total unduplicated number of persons served – Emergency Shelter (ES)	800		500
Total unduplicated number of households served – ES	300		500
Total unduplicated number of persons served – Rapid Rehousing (RRH)	30	20	
Total unduplicated number of households served – RRH	10	15	
Total unduplicated number of persons served –Street Outreach (SO)		250	
Total unduplicated number of households served – SO		200	

Table 5: Performance Measures

Measure	Good Samaritan Shelter	NBCC	PATH Santa Barbara
% of participants moving into transitional housing at project exit – ES	15		20
% of participants moving into rapid rehousing at project exit - ES	15		40

% of participants moving into permanent housing (other than RRH) at project exit – ES	30		20
% of adult participants gaining new or increasing existing earned income at project exit – ES	20		60
% of adult participants obtaining non-cash benefits at project exit - ES	50		20
% of participants who move into transitional housing or permanent housing (including RRH) remaining housed for 3 months - ES	45		95
% of participants will move into permanent housing at project exit - RRH	75	75	
% of adult participants gaining new or increasing existing earned income at project exit – RRH	30	10	
% of adult participants obtaining non-cash benefits at project exit - RRH	40	10	
% of participants who move into permanent housing remaining housing for 6 months - RRH	75	85	
% of participants moving into emergency shelter at project exit - SO		2	
% of participants moving into transitional housing at project exit - SO		2	
% of participants moving into rapid rehousing at project exit - SO		10	
% of participants moving into permanent housing (other than RRH) at project exit – SO		2	
% of adult participants gaining new or increasing existing earned income at project exit – SO		5	
% of adult participants obtaining non-cash benefits at project exit - SO		5	

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	\$ 336,401.00		
Federal			
Fees			
Other:			
Total	\$ 382,401.00	\$ -	\$ -

State HCD has allocated \$336,401 in State ESG funds to the CoC Service Area for the 2018 grant year. Of that amount, \$326,955 will be distributed to providers for the delivery of eligible activities. The balance, or \$9,446, will be retained by CSD for administration and HMIS. Pursuant to direction provided by the Board of Supervisors on May 3, 2016 and approval of the Fiscal Year 2019-2020 Recommended Budget, \$46,000 in General Fund contributions have been allocated to support CSD in its administration of State ESG funds.

Key Contract Risks:

The County 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. Good Samaritan Shelter Inc., NBCC, and PATH Santa Barbara all have prior experience operating federally-funded homeless assistance projects successfully.

The State ESG Program Subrecipient Agreement is a cost-reimbursement contract. This allows CSD to disburse federal funds to the aforementioned State ESG Program Subrecipients for eligible incurred costs to the extent prescribed by the Agreement. The County will only reimburse State ESG Program Subrecipients for costs that are eligible under the Agreements and documented in a manner that is acceptable to the CSD. CSD staff will assess the performance of the State ESG Program Subrecipients to determine if services are adequately provided. The County will provide payment after demonstration that reimbursable services were provided.

Special Instructions:

- 1) Please email an electronic copy of the Minute Order to Dinah Lockhart at dlockhart@co.santa-barbara.ca.us.
- 2) Please execute three (3) original copies of each of the following documents and send to Dinah Lockhart (x3523):
 - a. 2018 State ESG Subrecipient Agreement for \$160,782 with Good Samaritan Shelter for the Emergency Shelter and Rapid Re-housing project;
 - b. 2018 State ESG Subrecipient Agreement for \$80,000 with NBCC dba New Beginnings Counseling Center for the Safe Parking, Rapid Rehousing and Homeless Outreach Program; and,
 - c. 2018 State ESG Subrecipient Agreement for \$86,173 with PATH Santa Barbara for the PATH Santa Barbara Emergency Shelter project.

Attachments:

- A. 2018 State ESG Subrecipient Agreement for \$160,782 with Good Samaritan Shelter for the Emergency Shelter and Rapid Re-housing project;
- B. 2018 State ESG Subrecipient Agreement for \$80,000 with NBCC dba New Beginnings Counseling Center for the Safe Parking, Rapid Rehousing and Homeless Outreach Program; and,
- C. 2018 State ESG Subrecipient Agreement for \$86,173 with PATH Santa Barbara for the PATH Santa Barbara Emergency Shelter project.
- D. State of California 2017 ESG Standard Agreement