



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 28, 2022

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 2021 State of California Emergency Solutions Grant (ESG)
Program Agreements

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 2021 State of California Emergency Solutions Grant Program (State ESG) funds with the following providers in the specified amounts:
 - i) \$198,971 to Good Samaritan Shelter for the Emergency Shelter and Rapid Re-housing project (Attachment A);
 - ii) \$132,048 to NBCC dba New Beginnings Counseling Center for the Safe Parking, Rapid Rehousing and Homeless Outreach Program (Attachment B).
- b) Determine that the above recommended actions are not the 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 two 2021 State of California Emergency Solutions Grant (State ESG) Program subrecipient agreements with local homeless service providers (Recommended Action ‘a’). The recommended actions approve 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 August 2021 to determine the distribution of these funds. In addition to subrecipient funding, the County will use the allowable \$9,304 for grant administration. The term of the subrecipient agreements begins on July 1, 2022. All 2021 program funds must be expended by June 30, 2023, unless a written extension is allowable under the 2021 State ESG Standard Grant Agreement (2021 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 April 1, 2022, 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 \$340,323 in 2021 State ESG funding. The award letter indicated that eligible costs can be incurred beginning April 1, 2021 – prior to execution of the 2021 Standard Agreement with the State. Because 2020 State ESG funds are currently available to the subrecipients through June 2022, the term for the 2021 State ESG subrecipient agreements will begin July 1, 2022. At this time, CSD is requesting authorization to enter subrecipient agreements prior to execution of the 2021 Standard Agreement with the State, so the subrecipient agreements will be in place for the July 1, 2022 start-date. This will help ensure the uninterrupted provision of services to the community.

The August 2021 local NOFA for the 2021 State ESG award advised applicants that should the 2021 State ESG award be within 20% of the 2020 award, no local NOFA would be conducted and 2021 State ESG funds would be distributed based on the 2020 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 2021 State ESG program (\$340,323) is within 20% of the 2020 final award (\$312,096).

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 – 2021 State ESG

In April 2022, State HCD provided the County with a preliminary 2021 ESG allocation of \$340,323. \$9,304 was earmarked for County for administration, and the remaining \$331,019 was included in a local Notice of Funding Availability (NOFA) that was issued on August 26, 2021. Five applications requesting a total of \$902,998 were submitted by the deadline of September 9, 2021.

Pursuant to authorization granted by the Board of Supervisors, CSD convened the CoC Review and Rank Committee to evaluate applications submitted in response to the NOFA and recommended projects to be included in the County’s application to the State submitted on October 14, 2021. On April 1, 2022, State HCD provided written notification that the County had been awarded \$340,323 in 2021 State ESG funding. The Committee’s recommendations and final award amounts are summarized in Table 1.

Table 1: 2021 State ESG Funding Awards

Applicant	Project Title	Component	Request (\$)	Component Award (\$)	Applicant Award (\$)
Good Samaritan Shelter	Emergency Shelter & Rapid Re-housing	ES	198,611	100,000	198,871
		RRH	132,408	98,971	
NBCC	Safe Parking, Rapid Rehousing and Homeless Outreach Program	RRH	207,762	118,808	132,048
		SO	20,775	13,240	
County of Santa Barbara	Administration	Admin			\$9,304
Total			\$559,556	\$340,323	\$340,323

Change to the Funding Process – 2022 State ESG

The August 2021 local NOFA for the 2021 State ESG award advised applicants that should the 2022 State ESG award be within 20% of the 2021 award, no local NOFA would be conducted and 2022 State ESG funds would be distributed based on the 2021 award amounts, adjusted proportionally to account for changes in funding less than 20%, and contingent on the satisfactory performance of program sub-recipients. However, HCD was advised by the State that the County of Santa Barbara would be shifted to a Balance of State funding distribution and administration beginning with the 2022 NOFA, rendering the renewal section of the 2021 NOFA void.

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 agreements are subject to the availability of funds from the State through the entire grant term. On page 6, 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).

Performance Measure:

The two 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 Coordinated Entry System 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
Total unduplicated number of persons served – Emergency Shelter (ES)	250	
Total unduplicated number of households served – ES	0	
Total unduplicated number of persons served – Rapid Rehousing (RRH)	7	15
Total unduplicated number of households served – RRH	5	11
Total unduplicated number of persons served –Street Outreach (SO)		85
Total unduplicated number of households served – SO		60

Table 5: Performance Measures

Measure	Good Samaritan Shelter	NBCC
% of participants moving into transitional housing at project exit – ES	1	
% of participants moving into rapid rehousing at project exit - ES	15	
% of participants moving into permanent housing (other than RRH) at project exit – ES	30	
% of adult participants gaining new or increasing existing earned income at project exit – ES	25	
% of adult participants obtaining non-cash benefits at project exit - ES	55	
% of participants who move into transitional housing or permanent housing (including RRH) remaining housed for 3 months - ES	70	
% of participants will move into permanent housing at project exit - RRH	90	75
% of adult participants gaining new or increasing existing earned income at project exit – RRH	25	5
% of adult participants obtaining non-cash benefits at project exit - RRH	55	20
% of participants who move into permanent housing remaining housing for 6 months - RRH	90	85
% of participants moving into emergency shelter at project exit - SO		1
% of participants moving into transitional housing at project exit - SO		0
% of participants moving into rapid rehousing at project exit - SO		5
% of participants moving into permanent housing (other than RRH) at project exit – SO		15

% of adult participants gaining new or increasing existing earned income at project exit – SO		2
% of adult participants obtaining non-cash benefits at project exit - SO		10

Contract Renewals and Performance Outcomes:

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			\$ 340,323.00
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ 386,323.00

State HCD has allocated \$340,323 in State ESG funds to the CoC Service Area for the 2021 grant year. Of that amount, \$331,019 will be distributed to providers for the delivery of eligible activities. The balance, or \$9,304, will be retained by CSD for administration. Pursuant to direction provided by the Board of Supervisors on May 3, 2016 and anticipated approval of the Fiscal Year 2022-2023 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, the County would be 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. and NBCC all have prior experience operating federally-funded homeless assistance projects successfully.

The State ESG Program Subrecipient Agreements are cost-reimbursement contracts. This allows the County 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.

Staffing Impacts:

Legal Positions:

FTEs:

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. 2021 State ESG Subrecipient Agreement for \$198,971 with Good Samaritan Shelter for the Emergency Shelter and Rapid Re-housing project; and
 - b. 2021 State ESG Subrecipient Agreement for \$132,048 with NBCC dba New Beginnings Counseling Center for the Safe Parking, Rapid Rehousing and Homeless Outreach Program.

Attachments:

- A. 2021 State ESG Subrecipient Agreement for \$198,971 with Good Samaritan Shelter for the Emergency Shelter and Rapid Re-housing project (Attachment A);
- B. 2021 State ESG Subrecipient Agreement for \$132,048 with NBCC dba New Beginnings Counseling Center for the Safe Parking, Rapid Rehousing and Homeless Outreach Program (Attachment B); and,
- C. State of California Letter of Approval to incur costs for 2021 State ESG Allocation (Attachment C)

Authored by:

Jett Black-Maertz, Housing Program Specialist Sr.

cc: