



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: July 7, 2020
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 PATH Santa Barbara for 2019 State ESG Allocation

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 to execute the 2019 State ESG PATH Santa Barbara Subrecipient Agreement for the distribution of 2019 State of California Emergency Solutions Grant Program (State ESG) funds.
- b) 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:

On June 4, 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 final 2019 State ESG award was within 20% of the 2018 State ESG award, contingent on the satisfactory performance of the program sub-recipients; and authorized the Director of the Community Services Department (CSD) to execute the necessary Amendments to the 2018 State ESG Subrecipient Agreements

to include the 2019 State ESG allocation. The allocation for the 2019 State ESG program (\$328,840) was within 20% of the 2018 final award (\$336,401). The change in 2019 allocation is 2.25% lower than 2018 allocation, therefore the subrecipient agencies’ allocations were reduced proportionately (see Table 2). The Standard Agreement with the State for the 2019 ESG program (Attachment A) was executed April 17, 2020. As a result, the Director of CSD will execute Amendments to the 2018 State ESG Subrecipient Agreements for Good Samaritan Shelter and New Beginnings Counseling Center. However, PATH Santa Monica wishes to substantially change their Scope of Work under the 2019 funding allocation. A new 2019 State ESG PATH Santa Barbara Subrecipient Agreement (Attachment B) has been drafted with a revised Scope of Work.

The State ESG PATH Santa Barbara Subrecipient Agreements prior to 2019 included all 100 beds within the shelter as ESG-funded beds. However, because PATH has reserved 44 beds for homeless clients funded by Cottage Hospital and Behavioral Wellness, the expenses associated with those 44 beds are no longer eligible for ESG funding. In an effort to have the renewal contract more closely reflect the number of beds reserved for ESG-funded clients, the number of beds, bednights and the outcomes have been adjusted down from the 2018 State ESG PATH Santa Barbara Subrecipient Agreement (see Table 1). CSD has informed the State of California Department of Housing and Community Development (State HCD) of these proposed changes, and the State has indicated that the County has the authority to make such changes.

TABLE 1

PATH SANTA BARBARA EMERGENCY SHELTER PROPOSED OUTCOMES		
GOALS	2018 Goal	2019 Goal
Year-around beds	100	56
Total seasonal beds	100	100
Number of bed-nights made available	48,500	35,000
Unduplicated number of persons served	500	625
Unduplicated number of households served	500	625
PERFORMANCE MEASURES	2018 Goal (%)	2019 Goal (%)
Participants will move into transitional housing (TH) at project exit	20%	15%
Participants will move into Rapid Rehousing (RRH) at project exit	40%	30%
Participants will move into permanent housing (PH) (other than RRH) at project exit	20%	15%
Adult participants gaining new or increasing existing earned income at project exit	60%	25%
Adult participants obtaining non-cash benefits at project exit	20%	20%
Adult participants who move into transitional housing or permanent housing (including RRH) remaining housed for 3 months	95%	90%

At this time, the Board is being asked to approve the 2019 State ESG PATH Santa Barbara Subrecipient Agreement which would adjust the number of emergency shelter beds, bednights and outcomes for the 2019 ESG Program grant year, and allow for 2019 State ESG funds to be distribute to PATH Santa Barbara.

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 – 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. Accordingly, at the June 4, 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. This is consistent with approval from the State of California. The allocation for the 2019 State ESG program (\$328,840) is within 20% of the 2018 final award (\$336,401). The change in 2019 allocation is 2.25% lower than 2018 allocation, therefore the subrecipient agencies’ allocations were reduced proportionately. Changes in allocation from 2018 to 2019 are as follows:

TABLE 2

STATE EMERGENCY SOLUTIONS GRANTS (ESG) PROGRAM		
ALLOCATIONS		
Agency	2018	2019
New Beginnings Counseling Center	\$ 80,000	\$ 78,200
Good Samaritan Shelter	\$ 160,782	\$ 157,165
PATH of Santa Barbara	\$ 86,173	\$ 84,234
Admin	\$ 9,446	\$ 9,241
Total	\$ 336,401	\$ 328,840

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 June 4, 2019 the Board of Supervisors approved that the 2019 State ESG funding will represent a continuation of the 2018 program and authorized the Director of CSD to execute the necessary Amendments to the 2018 State ESG Subrecipient Agreements to include the 2019 State ESG allocation. The Standard Agreement with the State for the 2019 ESG program (Attachment A) was executed April 17, 2020. The Director of CSD will execute Amendments to the 2018 State ESG Subrecipient Agreements for Good Samaritan Shelter and New Beginnings Counseling Center. However, PATH Santa Monica notified CSD that they wished to substantially change their Scope of Work under the 2019 funding allocation. A new 2019 State ESG PATH Santa Barbara Subrecipient Agreement (Attachment B) has been drafted, which includes a revised Scope of Work.

The State ESG PATH Santa Barbara Subrecipient Agreements prior to 2019 included all 100 beds within the shelter as ESG-funded beds. However, because PATH has reserved 44 beds for homeless clients funded by Cottage Hospital and Behavioral Wellness, the expenses associated with those 44 beds are no longer eligible for ESG funding. In an effort to have the renewal contract more closely reflect the number of beds reserved for ESG-funded clients, the number of beds, bednights, and the outcomes have been adjusted down from the 2018 State ESG PATH Santa Barbara Subrecipient Agreement (see Table 1). CSD has informed the State of California Department of Housing and Community Development (State HCD) of these proposed changes, and the State has indicated that the County has the authority to make such changes.

Performance Measures:

The revised Performance Measures for the 2019 State ESG PATH Santa Barbara Subrecipient Agreement are outline in Table 1 above. All 2019 State ESG subrecipients will provide quarterly reports to the County on services provided. In addition, the implementation of the HUD-mandated Homeless Management Information System (HMIS) means that ESG-funded programs must enter client data and services into the HMIS. Data quality and outcomes will be evaluated through HMIS.

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	\$ 84,234.00		
Federal			
Fees			
Other:			
Total	\$ 130,234.00	\$ -	\$ -

State HCD has allocated \$328,840 in State ESG funds to the CoC Service Area for the 2019 grant year. Of that amount the allocations were: \$84,234 to PATH Santa Barbara for Emergency Shelter services, \$78,200 to New Beginnings Counseling Center for Street Outreach and Rapid Rehousing services, and \$157,165 to Good Samaritan Shelter for Emergency Shelter and Rapid Rehousing services. The balance,

or \$9,241, 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. PATH Santa Barbara has 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 only reimburses 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.

Attachments:

- A. State of California 2019 ESG Standard Agreement
- B. 2019 State ESG PATH Santa Barbara Subrecipient Agreement for the Emergency Shelter Project