



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:** February 26, 2019  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** Majority

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**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 Homeless Emergency Aid Program (HEAP)  
Sub-recipient Agreements

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**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, ratify and authorize the Chair of the Board of Supervisors to execute sub-recipient agreements for the distribution of State of California Homeless Emergency Aid Program (HEAP) funds with the following providers in the specified amounts:
  - i) \$385,926 to Domestic Violence Solutions (DVS) for the DVS Housing First Program (Attachment A);
  - ii) \$550,000 to Northern Santa Barbara County United Way (United Way) for Home for Good (Attachment B); and
  - iii) \$380,000 to PATH Santa Barbara for Lease Up SB! (Attachment C);
- 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:**

Staff is requesting that the Board of Supervisors approve, ratify and authorize the Chair to execute three State of California Homeless Emergency Aid Program (HEAP) sub-recipient agreements with local homeless service providers and the City of Santa Barbara. The State awarded our local Santa Maria/Santa Barbara County Continuum of Care (CoC) \$9.385 million in Homeless Emergency Aid Program funds. The recommended actions approve funding recommendations from the CoC Review and Rank (R&R) Committee and approved by the CoC Board for the distribution of these funds; County HCD is the administrative entity for the CoC. The term of the sub-recipient agreements begins on March 1, 2019 and all program funds must be expended by June 30, 2021. The Board of Supervisors approved the application for and acceptance of HEAP funds on September 11, 2018. These three sub-recipient agreements represent projects that are ready for immediate implementation. The remaining five projects will be presented to the Board for approval over the next 90 days.

**Background:**

The 2018 California state budget provided significant funding to address homelessness, including \$500 million in Homeless Emergency Aid Program (HEAP) Block Grants. Senate Bill 850 established the HEAP program as a flexible block grant to Continuums of Care and the 11 most populous cities to address immediate homelessness challenges. HEAP funds are being distributed based on the numbers of homeless persons residing in CoC's geographic area (Santa Barbara County) as represented by the 2017 Point in Time Count. The funding recommendations are reflective of the CoC's local funding review process. The County accepted the role of Lead Agency for the Santa Maria/Santa Barbara County CoC in March 2018, and is the 'Administrative Entity' (AE) for the HEAP program. As lead agency and AE, the County's roles are limited to issuing the NOFA (Notice of Funding Availability), verifying projects met basic threshold criteria, training the R&R members and facilitating the CoC R&R Committee meeting and approval of the CoC Board, and administering the grants.

Senate Bill 850 Section 50212(a) indicated that each jurisdiction within the local CoC must declare a shelter crisis if the jurisdiction wishes to use or receive HEAP funding. Staff from the Housing and Community Development Division of the Community Services Department (CSD/HCD), on behalf of the CoC, conducted extensive community outreach to each of the eight local incorporated cities, their city managers, and city councils to encourage each city to declare a shelter crisis in order to be eligible for HEAP funding. The Board approved the resolution of shelter crisis on behalf of the County on September 11, and all eight cities adopted their own respective resolutions of shelter crisis by October 8, 2018. Staff held planning meetings with county and city representatives, local providers and other stakeholders to support the CoC in obtaining community input on gaps and needs that this one-time funding could address. The CoC Planning Committee received input from 34 local stakeholders to identify gaps in homeless services and housing. The CoC Board established local priorities for HEAP funding at their meeting held on August 28, 2018.

**Discussion:**

*Funding Process*

On October 12, 2018, CSD/HCD released a "Super NOFA", which included program descriptions, guidelines, and application deadlines for multiple funding sources administered either directly by CSD/HCD, or in cooperation with other departments, such as Behavioral Wellness and the regional Santa Maria/Santa Barbara County CoC, including HEAP. The CoC established a Rank and Review Committee

to review applications and make funding recommendations to the CoC Board based on the process outlined in the CoC Governance Charter. The CoC R&R Committee met on Wednesday, November 28, 2018 to review HEAP funding applications and make funding recommendations. The CoC R&R Committee had the difficult task of allocating \$8.9 million in HEAP funding in response to over \$36 million in capital, rental assistance and services funding requests. A common theme discussed during CoC R&R Committee deliberations was the one-time nature of HEAP funding. The CoC R&R Committee scored projects based on applicant capacity, project design, addressing local priorities, performance, need and collaboration. All projects recommended for funding addressed local priorities established by the CoC. Projects include shelter and services for youth, families and survivors of domestic violence that federal homeless assistance programs, such as the HUD Continuum of Care program, often do not fund. The projects strengthen countywide outreach to landlords, establish navigation centers at existing mobile shower sites, purchase a mobile shower unit, expand restorative policing, provide rental assistance and develop housing units. CoC Board members who were not affiliated with nor representing any organization applying for funding, met on Thursday, November 29, 2018 and approved the funding recommendations of the CoC R&R Committee without changes.

Based on the recommendations of the Santa Maria/Santa Barbara County CoC, CSD/HSD staff submitted an application to the State of California for HEAP funds. On December 20, 2018 the State of California announced that the County had been awarded \$9,385,185 in HEAP funding on behalf of the local CoC. Five (5%) percent of program funds (\$469,259) will be retained by the County and used for administrative costs, including staff positions approved by the Board on December 11, 2018. The remaining HEAP allocation of \$8,915,926 is being distributed to local non-profits to conduct eligible HEAP activities based on the recommendations of the CoC R&R Committee, the concurrence of the Santa Maria/Santa Barbara County CoC Board, and the approval of the Board of Supervisors. A summary of all of the HEAP funding recommendations is provided in Table 1:

**Table 1: HEAP Funding Recommendations**

Applicant	Project Title	Service Area	Total Award
City of Santa Barbara	Santa Barbara Connect Home	South – Santa Barbara	\$ 2,000,000
*Domestic Violence Solutions	DVS Housing First Program	Countywide	\$ 385,926
Fighting Back Santa Maria Valley	Santa Maria Homeless Youth Collaborative	North – Guadalupe, Santa Maria, Orcutt, Los Alamos	\$ 900,000
Good Samaritan Shelter	Homeless Housing Navigation Program	North- Buellton, Guadalupe, Lompoc, Santa Maria, Solvang	\$ 850,000
Housing Authority of the County of Santa Barbara	West Cox Apartments	North – Santa Maria	\$ 1,350,000
*Northern Santa Barbara County United Way	Home for Good	Countywide	\$ 550,000
*PATH Santa Barbara	Lease Up SB!	Countywide	\$ 380,000
The Salvation Army	Multi-component, Countywide Approach to Homeless Crisis	South – Santa Barbara	\$ 2,500,000
<b>TOTAL</b>			<b>\$ 8,915,926</b>

\*Approval of Sub-recipient Agreements for these projects requested in this Board letter.

*Sub-recipient Agreement Approval Process*

The eight projects recommended for funding represent a mix of capital investment, rental assistance and supportive service projects of varying levels of complexity. In order to expedite the delivery of services funded by HEAP, CSD/HCD staff will bring Sub-recipient Agreements to the Board for approval as projects are ready to begin implementation. The three Sub-recipient Agreements attached to this Board letter represent the first projects ready for immediate implementation. The remaining projects will be presented to the Board for approval over the next 90 days.

The sub-recipient agreement identifies the terms and conditions by which the HEAP funds must be administered. On page 5, Section VI (“General Conditions”) the agreement indicates the sub-recipient is subject to federal, state, and county requirements. The agreement also includes 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).

The services provided through the three Sub-recipient Agreements before the Board today are summarized in Table 2 below. The three providers will provide quarterly reports to the County on services provided and the outcomes, or performance measures, which have been mandated by the State. Table 3 summarizes the number of persons/households served and instances of service. Table 4 summarizes outcomes/performance measures for each project. Program design, funding allocations, and the characteristics of individuals and households served by each sub-recipient vary and impact the project outcome percentages and numbers of persons and households served.

**Table 2: Goals – Services to be Provided**

<b>Provider</b>	<b>Project Title</b>	<b>Services to be Provided</b>	<b>Total Award</b>
Domestic Violence Solutions	DVS Housing First Program	Shelter Diversion, Housing Navigation, Employment Services, Homeless Prevention	\$ 385,926
Northern Santa Barbara County United Way	Home for Good	Housing Navigation, Street Outreach, Housing and Stabilization Services, Rapid Re-Housing, Training	\$ 550,000
PATH Santa Barbara	Lease Up SB!	Regional Housing Location Services, Housing Search Technology	\$ 380,000

**Table 3: Goals – Individuals/Households Served**

Goal	Domestic Violence Solutions	N. Santa Barbara County United Way	PATH SB
Unduplicated number of homeless persons or persons at imminent or at risk of homelessness served	63	660	75
Unduplicated number of homeless households or households at imminent or at risk of homelessness served	30	500	75
Number of instances of service (all services must be documented)	1245	3600	8300

**Table 4: Performance Measures**

Measure	Domestic Violence Solutions	N. Santa Barbara County United Way	PATH SB
Number of unsheltered persons becoming sheltered	63	120	N/A
Number of participants exiting to permanent housing	38	60	75
% of adult participants who will obtain earned income at project exit	40%	9%	25%
% of adult participants who will increase cash/non-cash benefits at project exit	60%	30%	10%
% of project participants that will retain permanent housing at 1 year	75%	80%	60%

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Current FY Cost:</b>	<b>Annualized On-going Cost:</b>	<b>Total One-Time Project Cost</b>
General Fund	\$ -		\$ -
State	\$ 1,315,926.00		\$ 1,315,926.00
<b>Total</b>	<b>\$ 1,315,926.00</b>	<b>\$ -</b>	<b>\$ 1,315,926.00</b>

The State HEAP funded projects included for approval in this Board letter total \$1,315,926. These funds are currently available for distribution to providers for the delivery of eligible activities.

**Key Contract Risks:**

The County assumes responsibility for the administration of HEAP in accordance with all state requirements governing their use. In addition, it would be held liable if it or any provider to which it sub-grants funds is found to be non-compliant with applicable requirements. Domestic Violence Solutions, United Way and PATH SB have all successfully operated State and/or federally-funded homeless assistance projects in the past which have had similar regulatory and administrative requirements. A

summary of local, state, and federal funding from County departments received by the three sub-recipients is provided as Attachment D.

The HEAP Program Sub-recipient Agreement is a cost-reimbursement contract. This allows CSD/HCD to disburse state funds to the aforementioned HEAP Program Sub-recipients for eligible incurred costs to the extent prescribed by the Agreement. The County will only reimburse HEAP Program Sub-recipients for costs that are eligible under the Agreements and documented in a manner that is acceptable to the CSD/HCD. CSD/HCD staff will assess the performance of the HEAP sub-recipients to determine if the services provided are adequate and as outline in the Agreement.

**Special Instructions:**

- 1) Please email an electronic copy of the Minute Order to Dinah Lockhart at [dlockhart@co.santa-barbara.ca.us](mailto: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. HEAP Sub-recipient Agreement for \$385,926 to Domestic Violence Solutions (DVS) for the DVS Housing First Program;
  - b. HEAP Sub-recipient Agreement for \$550,000 to Northern Santa Barbara County United Way (United Way) for Home for Good;
  - c. HEAP Sub-recipient Agreement for \$380,000 to PATH Santa Barbara for Lease-Up SB!

**Attachments:**

- A) HEAP Sub-recipient Agreement for \$385,926 to Domestic Violence Solutions (DVS) for the DVS Housing First Program;
- B) HEAP Sub-recipient Agreement for \$550,000 to Northern Santa Barbara County United Way (United Way) for Home for Good;
- C) HEAP Sub-recipient Agreement for \$380,000 to PATH Santa Barbara for Lease-Up SB!; and
- D) Summary of Local, State, and Federal Funding from County Departments to Sub-recipients.