



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

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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:** Application for State of California Emergency Solutions Grants CARES Act  
Program Funding

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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) Authorize the Community Services Director or designee to submit a funding application in an amount not to exceed \$2,100,000, and all certifications, standard forms, and other related documents to the State of California Department of Housing and Community Development for the Emergency Solutions Grant CARES act (ESG-CV) program;
- b) Adopt a Resolution authorizing the acceptance and administration of funds under the State ESG-CV program (Attachment A);
- c) Authorize the Community Services Director or designee(s) to execute all certifications, standard forms, and grant agreement in a form substantially similar to the FY2019 grant agreement included as Attachment B, and other related documents required for the acceptance and administration of State ESG-CV 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.

**Summary Text:**

Under the Coronavirus Aid, Relief, and Economic Stimulus (CARES) Act enacted by Congress on March 27, 2020, the State of California was awarded approximately \$42 million in federal funds for the ESG-CV Program. The goal of the program is to prevent, prepare for, and respond to coronavirus among individuals and families who are experiencing homelessness or receiving homeless assistance; and, to support additional homeless assistance and homeless prevention activities to mitigate the impacts created by coronavirus. State HCD released their State ESG-CV NOFA on June 1, 2020 with a July 20, 2020 deadline for submittal of the application to the State. The State requires that a signed Board of Supervisors Resolution accompany the funding application. Community Services Department (CSD) is requesting authorization to submit the application and except a funding award in an amount not to exceed \$2,100,000. While the preliminary funding estimate provided by State HCD is only \$1,031,300, State HCD advised the County to seek authorization to receive an award at least twice the preliminary estimate in case an unknown amount of funds is added to the State ESG-CV award after the application has been submitted.

The County Community Services Department (CSD) will develop a local selection process to identify qualified service providers to conduct ESG-CV eligible activities. Based on the current allocation of \$1,031,300, approximately 5.25%, or \$54,300 will be retained by the County for grant administration, and the balance of \$977,000 will be made available to qualified service providers. At this time, CSD seeks approval from the Board of Supervisors to authorize the Community Services Director or designee to submit a funding application in an amount not to exceed \$2,100,000, and all certifications, standard forms, and other related documents to the State of California Department of Housing and Community Development for the Emergency Solutions Grant CARES act (ESG-CV) program (Recommended Action 'a'); adopt a Resolution authorizing the acceptance and administration of State ESG-CV funds (Recommended Action 'b'); authorize the Community Services Director or designee(s) to execute all certifications, standard forms, grant agreements in a form substantially similar to the FY2019 grant agreement included as Attachment B, and other related documents required for the acceptance and administration of State ESG-CV funds (Recommended Action 'c').

**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. Annually, 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. Under the Coronavirus Aid, Relief, and Economic Stimulus (CARES) Act enacted by Congress on March 27, 2020, the Federal government allocated additional ESG funds with the goal of preventing, preparing for, and responding to coronavirus among individuals and families who are experiencing homelessness or receiving homeless assistance; and, supporting additional homeless assistance and homeless prevention activities to mitigate the impacts created by coronavirus.

### *State ESG*

State of California was awarded approximately \$42 million in federal funds for the ESG-CV Program. The Santa Maria/Santa Barbara Continuum of Care (CoC) Service Area, which is the geographic area located within the boundaries of Santa Barbara County, qualified for an initial allocation of \$1,031,300 in ESG-CV funding from the State. 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 for a period of two years. The Board of Supervisors accepted the original AE designation on May 3, 2016, which was subsequently renewed by the State in 2018 and 2020.

### *Funding Process*

State HCD released their State ESG-CV NOFA on June 1, 2020 with a July 20, 2020 deadline for submittal of the application to the State. The State requires that a signed Board of Supervisors Resolution accompany the funding application. Community Services Department (CSD) is requesting authorization to submit the application and except a funding award in an amount not to exceed \$2,100,000. While the preliminary funding estimate provided by State HCD is only \$1,031,300, State HCD advised the County to seek authorization to receive an award at least twice the preliminary estimate in case an unknown amount of funds are added to the State ESG-CV award after the application has been submitted.

The County Community Services Department (CSD) will conduct a local Notice of Funding Availability (NOFA) process to identify qualified service providers to conduct eligible activities under ESG-CV. All activities under the annual ESG allocations are eligible under the ESG-CV program, however, because of the focus on preventing, preparing for, and responding to coronavirus among individuals and families who are experiencing homelessness or receiving homeless assistance; and, supporting additional homeless assistance and homeless prevention activities to mitigate the impacts created by coronavirus, the local NOFA will be consistent with the objectives established by the COVID-19 Homeless/Housing Task Force (CV Task Force). The CV Task Force has been meeting three times per week since March 18, 2020 and established the following objectives:

- **Prevent and mitigate COVID-19 impacts for persons who remain unsheltered through support centers and outreach re-establishing access to showers, device charging, food and hygiene supplies.**
- **Establish non-congregate sheltering for persons at highest risk of COVID-19 complications.**
- **Sustain shelter capacity for persons not experiencing COVID-19 symptoms.**
- **Enhance homelessness prevention and housing activities through increased funding for rental assistance and supportive services.**

Proposals received will be reviewed by the Continuum of Care Review and Rank Committee (CoCRRC), which is charged with making funding recommendations for competitively awarded State and federal funds. Comprised of non-conflicted members of the local CoC and community members, the CoCRRC will convene to review all proposals received, interview staff from applicant agencies, and make recommendations for final funding amounts and allocations to qualified service providers. The Board of Supervisors retains discretion on the final awards and allocations to subrecipients.

CSD is also conducting a local NOFA for the annual allocation of 2020 State ESG funds. The application for 2020 funds is due to the State on July 10, 2020. The 2020 State ESG allocation to the local CoC is \$312,096. Authorization for the submission of the funding application for 2020 State ESG funds will be requested in a separate Board letter. Projects currently funded through the 2018 and 2019 State ESG programs are listed in Table 1 below:

TABLE 1:

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
<b>Total</b>	<b>\$ 336,401</b>	<b>\$ 328,840</b>

*Board Approval Process*

At this time, CSD seeks approval from the Board of Supervisors to authorize the Community Services Director or designee to submit a funding application in an amount not to exceed \$2,100,000, and all certifications, standard forms, and other related documents to the State of California Department of Housing and Community Development for the Emergency Solutions Grant CARES Act (ESG-CV) program competition (Recommended Action ‘a’); adopt a Resolution authorizing the acceptance and administration of State ESG-CV funds (Recommended Action ‘b’); authorize the Community Services Director or designee(s) to execute all certifications, standard forms, grant agreements in a form substantially similar to the FY2019 grant agreement included as Attachment B, and other related documents required for the acceptance and administration of State ESG-CV funds (Recommended Action ‘c’).

The Board of Supervisors retains discretion on the final awards and allocations to subrecipients. CSD will convey the award amounts and allocations based on the results of the local NOFA and CoCRRC review process and seek authorization to execute the subrecipient agreements subsequent to receiving the ESG-CV award letter and grant agreement from the State.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State	\$ 1,031,300.00		
Federal			
Fees			
Other:			
<b>Total</b>	<b>\$ 1,031,300.00</b>	<b>\$ -</b>	<b>\$ -</b>

Based on the current allocation of \$1,031,300, approximately 5.25%, or \$54,300 will be retained by the County for grant administration, and the balance of \$977,000 will be made available to qualified service providers. Providers selected for funding will be required to submit documentation of eligible revenues and expenditures to substantiate the use of ESG-CV funds. While the annual ESG allocations have a 100% match requirement per federal regulations, this match requirement is waived for the ESG-CV program.

**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-CV funds is found to be non-compliant with applicable requirements. To mitigate risk, the State ESG-CV Program Subrecipient Agreement will be a cost-reimbursement contract. This allows CSD to disburse federal funds to the ESG-CV Program Subrecipients for eligible incurred costs to the extent prescribed by the Agreement. The County will only reimburse State ESG-CV 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-CV 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@sbccsd.org](mailto: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. FY2019 State ESG Grant Agreement