



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 17, 2018
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: 2018 State of California Emergency Solutions Grants Program Funding Application

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

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 \$700,000, and all certifications, standard forms, and other related documents to the State of California Department of Housing and Community Development for the 2018 Emergency Solutions Grant (ESG) program competition;
- b) Adopt a Resolution authorizing the acceptance and administration of State ESG funds for 2018 (Attachment A);
- c) Authorize the County Executive Officer or her designee(s) to execute all certifications, standard forms, and grant agreement in a form substantially similar to the FY2017 grant agreement included as Attachment B, and other related documents required for the acceptance and administration of 2018 State ESG 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.

Auditor-Controller Concurrence

As to form: Yes

Summary Text:

State HCD released their 2018 State ESG NOFA on June 8, 2018 with an August 7, 2018 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 \$700,000. While the preliminary funding estimate provided by State HCD is only \$336,401, State HCD advised the County to seek authorization to receive an award at least twice the preliminary estimate because it anticipates an unknown amount of recaptured funds will be added to the 2018 State ESG 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 ESG-eligible activities. 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 \$700,000, and all certifications, standard forms, and other related documents to the State of California Department of Housing and Community Development for the 2018 Emergency Solutions Grant (ESG) program competition (Recommended Action ‘a’); adopt a Resolution authorizing the acceptance and administration of State ESG funds for 2018 (Recommended Action ‘b’); authorize the County Executive Officer or her designee(s) to execute all certifications, standard forms, grant agreements in a form substantially similar to the FY2017 grant agreement included as Attachment B, and other related documents required for the acceptance and administration of 2018 State ESG 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. 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.

State ESG

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 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 as the County is eligible to receive an allocation of ESG funds directly from HUD, although because of federal funding levels, the County will not receive a direct allocation from HUD in 2018.

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. The Board of Supervisors accepted the AE designation on May 3, 2016. On March 19, 2018, State HCD renewed the County’s status as the AE for State ESG funds for the Santa Maria/Santa Barbara CoC Service Area. As AE, the County is responsible for complying with federal and state requirements

governing the administration of State ESG funds. The 2018 competition will be the third funding cycle for which the County is serving as the AE.

Funding Process

State HCD released their 2018 State ESG NOFA on June 8, 2018 with an August 7, 2018 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 \$700,000. While the preliminary funding estimate provided by State HCD is only \$336,401, State HCD advised the County to seek authorization to receive an award at least twice the preliminary estimate because it anticipates an unknown amount of recaptured funds will be added to the 2018 State ESG 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 ESG-eligible activities. 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, the CoCRRC will convene to review all proposals received and interview staff from applicant agencies. The recommendations of the CoCRRC will be incorporated into the application submitted to State HCD on August 7th. The CoCRRC will also make recommendations on how to allocate any recaptured funds added to the award. The Board of Supervisors retains discretion on the final award amount and allocations, which will be conveyed to the Board in October or November of 2018 when authorization to execute the subrecipient agreements will also be requested.

Projects currently funded through the 2017 State ESG program are listed in the table below:

Table 1: 2017 State ESG Final Funding Recommendations

Applicant	Project Title	Component	Component Rec. (\$)	Applicant Rec. (\$)
Good Samaritan Shelter	Emergency Shelter & Rapid Re-housing	ES	139,327	271,400
		RRH	132,073	
Carrillo Counseling Services, Inc.	Safe Parking and Homeless Outreach Program	RRH	105,177	115,077
		HMIS	9,900	
PATH Santa Barbara	PATH SB Street Outreach and Emergency Shelter	ES	130,218	130,218
United Way of N. SB County	Coordinated Entry System	CES	38,951	38,951
County of Santa Barbara	HMIS	HMIS	8,250	8,250
County of Santa Barbara	Administration	Admin		19,810
Total			563,896	\$583,706

Continuing Grant/Renewal Process for 2019

On May 16, 2017, the Board approved a recommendation that the final 2017 subrecipient award amounts would be the basis for continuing/renewal funding for the 2018 State ESG competition, provided that the 2018 State ESG award, less the maximum amounts allowable for administration and CES, was within 20% of the final 2017 funding recommendations; and provided that the 2017 funded-agencies continued to meet specific benchmarks, including:

- Demonstrate adequate program and administrative capacity;
- Demonstrate adequate program performance with respect to numbers served, outcomes, and quality service delivery consistent with State ESG Program Objectives, Requirements and Core Practices; and,
- Continue to participate in the Santa Barbara County HMIS or comparable database (as determined by the County).

However, because the 2018 preliminary funding allocation received from State ESG, less the maximum amounts available for administration and CES, was 36% less than the 2017 final allocation less those same categories, it was determined that a local NOFA would be conducted for the 2018 State ESG competition. CSD plans to include this same formula for the continuing grant/renewal process in the 2018 local NOFA, meaning that the final 2018 subrecipient award amounts will be the basis for continuing/renewal funding for the 2019 State ESG competition, provided that the 2019 State ESG award, less the maximum amounts allowable for administration and CES, is within 20% of the final 2018 funding recommendations; and provided that the 2018 funded-agencies continue to meet the specific benchmarks outlined above. Upon the release of the State's 2019 NOFA, CSD will request authorization from the Board to submit a State ESG funding application, and post-award, will seek authorization from the Board to execute subrecipient agreements with funded agencies.

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 \$700,000, and all certifications, standard forms, and other related documents to the State of California Department of Housing and Community Development for the 2018 Emergency Solutions Grant (ESG) program competition (Recommended Action 'a'); adopt a Resolution authorizing the acceptance and administration of State ESG funds for 2018 (Recommended Action 'b'); authorize the County Executive Officer or her designee(s) to execute all certifications, standard forms, grant agreements in a form substantially similar to the FY2017 grant agreement included as Attachment B, and other related documents required for the acceptance and administration of 2018 State ESG funds (Recommended Action 'c').

Once CSD receives notification of the award granted by State HCD, which is anticipated in October or November of 2018, staff will return to the Board of Supervisors to report on the distribution of the final award and request authorization to execute subrecipient agreements with the providers selected for funding.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	Current FY Cost:	Annualized On-going Cost:	Total One-Time Project Cost
General Fund	\$ 46,000.00		
State	\$ 336,401.00		
Federal			
Fees			
Other:			
Total	\$ 382,401.00	\$ -	\$ -

Pursuant to direction provided by the Board of Supervisors on May 3, 2016 and approval of the Fiscal Year 2017-2018 Recommended Budget, \$46,000 in General Fund contributions have been allocated to support CSD in its administration of State ESG funds.

The amount State HCD will allocate in 2018 State ESG funds to the CoC Service Area is unknown at this time; however, it is likely to be greater than the preliminary estimate of \$336,401 because State HCD anticipates including an unknown amount of recaptured funds in the 2018 State ESG competition. Of the final allocation, the County will likely be able to retain 2.5% for the administration of State ESG. Providers selected for funding will be required to submit documentation of eligible revenues and expenditures to substantiate the 100% ESG match requirement. The County will submit documentation of the 100% match requirement for administration funds.

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 funds is found to be non-compliant with applicable requirements.

Special Instructions:

- 1) Please email an electronic copy of the Minute Order to Dinah Lockhart at 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. FY2017 State ESG Grant Agreement

Authored by: Dinah Lockhart, Housing and Community Development Division (805-568-3523)