

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**  
**Prepared on:** 8/3/06  
**Department Name:** Housing and Community Dev.  
**Department No.:** 055  
**Agenda Date:** 8/15/06  
**Placement:** Administrative  
**Estimate Time:** n/a  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Ron Cortez  
Interim Director

**STAFF CONTACT:** Pat Gabel  
Housing Finance Division Manager

**SUBJECT:** 2006-2007 Supportive Housing Program Subrecipient Agreement

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## **Recommendation(s):**

That the Board of Supervisors:

1. Authorize the Director of Housing and Community Development to execute a Subrecipient Agreement with Casa Esperanza in the amount of \$160,586, First District

## **Alignment with Board Strategic Plan:**

The recommendation is primarily aligned with actions required by law or by routine business necessity.

## **Executive Summary and Discussion:**

The Subrecipient Agreement referred to in the above recommendation does not affect the General Fund. It is a contract between County Housing and Community Development and an outside service provider to utilize grant funds provided by the Federal Government.

The Board of Supervisors authorized the County Housing and Community Development Department to submit to the United States Department of Housing and Urban Development (HUD) applications for this grant in May of 2005. The application was submitted in July of 2005, and awarded in January 2006. After grant awards are announced, County Housing and Community Development is responsible for preparing various documents in order to begin drawing down funds from grants. One of the required documents for Casa Esperanza is a Subrecipient Agreement. The Subrecipient Agreement is a contract to ensure the proper use of grant funds to pay for shelter and services for the homeless.(See Attachment A) HUD has reviewed the Subrecipient Agreement and determined that it meets all Federal requirements.

A Subrecipient Agreement is required because County Housing and Community Development is the actual grantee for this program, while the services are provided by Casa Esperanza. This situation exists primarily because when the original grant application was written years ago, there was speculation that the newly formed non-profit organization may not have the experience necessary to be successful in securing grant funds. Therefore the County applied on behalf of Casa Esperanza and was able to obtain the grant.

The County has maintained this relationship with Casa Esperanza for eight years. If your Board approves the recommendations above, the County will continue to serve as a financial pass-through entity between HUD and Casa Esperanza.

### **Background Information:**

Housing and Community Development staff members serve as coordinators for the Santa Barbara County Continuum of Care. The Continuum of Care is a process by which an average of \$1.4 million dollars is awarded annually to local organizations providing shelter and services to the homeless. These funds are spread over 16 different programs in the County.

The responsibility of Housing and Community Development with respect to the Continuum of Care includes assembling an annual grant application for funding all programs, representing the Continuum of Care in a liaison capacity to HUD, and in the case of Casa Esperanza, serving as the grantee of funds which are passed through via a subrecipient relationship. In most other cases, the organizations providing shelter and services to people who are homeless are the actual grantees and therefore do not require a subrecipient agreement.

The County first received grant funding for Casa Esperanza in 1998, and has entered into subrecipient agreements with the nonprofit ever since. This grant pays for a portion of "Day Center" activities, which include job development, education, health care, case management, and drug/alcohol abuse counseling. Emergency shelter and transitional housing beds are funded by other sources procured by Casa Esperanza itself. Casa Esperanza has been a truly successful project, providing excellent service and opportunities for people who are homeless. HUD came to Santa Barbara to monitor the program two years ago and made no significant findings of concern, which is extremely rare and a testament to the excellent services provided by Casa Esperanza, and to the administrative capabilities of Housing and Community Development.

### **Mandates and Service Levels:**

There are no County mandates affected by executing this contract. Because this grant is for the sole purpose of distributing Federal funds to Casa Esperanza, any funds not so distributed must be returned to HUD. HUD mandates that a subrecipient agreement be executed in order to distribute funds from a grantee to a program sponsor such as Casa Esperanza.

### **Fiscal and Facilities Impacts:**

No general fund dollars are spent on this contract.

HCD serves as a pass-through for grant funds between HUD and this organization. In return for this service, HCD shares a portion of the funds allowed by HUD to be spent on grant administration. This equates to

2.5% of grant funds going to HCD. Details of HCD's budget can be found on page D-258 and D-259 in the County budget.

**Special Instructions:**

Please return the two signed original copies of the attached contract to Housing and Community Development, Room 105.

**Concurrence:**

Office of the County Administrator  
Auditor Controller  
Risk Management  
County Counsel

**Prepared by:**

Mike Sederholm. 805-560-1090

ATTACHMENT A