



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
Department No.: 057
For Agenda Of: November 13, 2012
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Herman Parker, Director of Community Services, (805) 568-2467
Director(s)
Contact Info: Dinah Lockhart, Deputy Director, 568-3523
SUBJECT: **2013-14 Notice of Funding Availability (NOFA) for Community Development Block Grant and Emergency Solutions Grant Funding and a Request For Proposals (RFP) for a Project Sponsor for funding from the FY 2011-12 Continuum of Care Supportive Housing Program**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

Planning and Development

Recommended Actions:

That the Board of Supervisors:

1. Direct the Community Services Department's (CSD) Housing and Community Development Division's (HCD) staff to:
 - a. Publish the FY 2013-14 Notice of Funding Availability (NOFA) for federal funds received through the Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funding programs (Attachment A);
 - b. Issue a Request For Proposals (RFP) for a Project Sponsor of the Lompoc Transformative Housing Project as part of the funding awarded under the FY 2011-12 Continuum of Care Supportive Housing Program Notice of Funding Availability (NOFA) (Attachment A);
2. Authorize HCD staff to delay the publication of the HOME Investment Partnerships Program NOFA; and
3. Determine that the recommended actions are not the 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, and direct staff to file the Notice of Exemption (Attachment B).

Summary:

Every year since 2007, the County has utilized a single Notice of Funding Availability (NOFA) process in order to solicit applications for funding under three federal programs administered by the County pursuant to agreements with the U.S. Department of Housing and Urban Development (HUD):

1. Community Development Block Grant (CDBG) Program;
2. Home Investment Partnerships Program (HOME); and
3. Emergency Solutions Grant (ESG) Program.

The County has used these federal funds over the last five years to support a wide range of projects throughout the County, such as affordable housing, community and public facilities, economic development, infrastructure improvements, public services, and shelters with supportive services for homeless persons and families.

This year, staff proposes two changes to the NOFA process. First, staff recommends that the County delay issuance of the portion of the NOFA related to the HOME Program. The delay would enable staff to incorporate pending programmatic and administrative changes in accord with legislative and regulatory updates to the HOME Program. Second, the County will release a request for proposals (RFP) specifically targeted to providing transitional housing and supportive services for homeless families in the Lompoc Valley. A discussion of the RFP is included in the NOFA announcement.

Background:

The County of Santa Barbara serves as the lead administrative agency for the CDBG, ESG, HOME and Continuum of Care Supportive Housing Programs. Funding from these federal programs is awarded to subrecipients and contractors as a result of the County's participation in the collaborations detailed below. To facilitate these collaborations, the County assumes responsibility for funding allocations, management, administration, monitoring, and regulatory compliance in accordance with HOME, CDBG, ESG, and SHP regulations.

THE SANTA BARBARA COUNTY HOME CONSORTIUM

This Consortium includes the seven partners listed below. Last year, the consortium received \$792,876 in HOME funds.

- | | | |
|--|---------------------|-----------------|
| City of Buellton | City of Carpinteria | City of Goleta |
| City of Lompoc | City of Santa Maria | City of Solvang |
| County of Santa Barbara (representing the unincorporated portions of the County) | | |

THE CDBG SANTA BARBARA URBAN COUNTY PARTNERSHIP

This partnership includes five partners – the seven partners identified above, minus the cities of Goleta and Santa Maria which are ‘entitlement communities’ and receive CDBG funds directly from HUD. Last year, the partnership received \$1,553,214 in CDBG funds.

THE ESG PROGRAM

There are no specified collaborative partners for ESG. The County administers ESG funds which are awarded to homeless shelters and service providers County-wide. The County received a total of \$207,406 in ESG funds last year. This total sum included an original annual entitlement allocation of \$157,639 plus a second one-time allocation of \$49,767 that was targeted specifically to homelessness prevention and rapid re-housing activities.

CONTINUUM OF CARE SUPPORTIVE HOUSING PROGRAM.

The County is also the lead agency for a separate homeless housing and services program operated by HUD, the Continuum of Care Program. The Continuum of Care Program includes several sub-programs including the Supportive Housing Program (SHP) and the Shelter Plus Care Programs. Due to the different partners and timetables associated with this program, the County operates a NOFA process separate and apart from the NOFA process described for the CDBG, HOME, and ESG programs.

At the time that the County submitted its application for funding to HUD in October 2011, a specific shelter site and project sponsor for the Lompoc Transformative Housing Project (LTHP) in Lompoc was not identified. The Board did not approve an application from the Lompoc Housing Community Development Corporation (LHCDC) to HUD for renewal funding at their meeting on October 18, 2012. On March 13, 2012, HUD notified the County of a provisional selection of projects awarded FY 2011-12 Continuum of Care funding, which included the LTHP. The LTHP received an SHP provisional award of \$125,189 over 2 years, or approximately \$62,595 annually. In order to promote the availability of this SHP funding for the LTHP to potential project sponsors for a project site in Lompoc, the 2013-14 NOFA contains an RFP for the LTHP.

2013 NOFA for CDBG and ESG Funds:

Staff will conduct public workshops on November 26 and 27, 2012 to discuss the 2013-14 funding process and review County Consolidated Plan funding priorities. Those invited to the public workshops will include the Human Services Commission, Capital Development Committee, public stakeholders, representatives from nonprofit organizations, parties on a Notice of Funding Availability (NOFA) interest list and members of the general public. As in previous years, HCD will use two (2) committees to evaluate applications and bring forward funding recommendations to the Board for consideration:

- The Capital Development Committee will evaluate proposals and make loan and grant recommendations for CDBG capital projects. This Committee includes members of the community with expertise in lending, project management, and construction, along with a representative from each of the County Auditor-Controller’s Office and the Treasurer-Tax Collector’s office.
- The Human Services Commission-Federal Grant Allocations Subcommittee (“Federal Grant Subcommittee”) will evaluate CDBG public services, and ESG proposals for funding. The Subcommittee will make a separate recommendation with respect to the LTHP. The Federal Grant Subcommittee includes five (5) Human Service Commissioners with support from HCD staff.

HCD will publish a Notice of Funding Availability (NOFA) on November 15, 2012. Since the County has not received from HUD an official notice of grant funding award for FY 2013-14, the County will

assume a “status quo” grant allocation amount of \$1,553,214 for CDBG and \$157,639 for ESG. The following is a general overview of the timeline for the evaluation of federal grant applications and the preparation of the FY 2013-14 Annual Action Plan:

- Applicant Workshops will be held in North and South County on November 26 and 27, 2012 to provide program information and technical assistance to interested applicants.
- All CDBG and ESG applications for County funds are due on January 2, 2013, providing applicants with approximately 1½ months to prepare and submit applications.
- Following a review for basic program eligibility by HCD staff, applications will be forwarded to the Capital Development Committee and the Federal Grant Subcommittee.
- The County’s Capital Development Committee and the Federal Grant Subcommittee will hold application review meetings on February 5 and 7, 2013.
- The draft Annual Action Plan will have a 30-day public review process with two public hearings.
- The draft Annual Action Plan will be presented to the Board of Supervisors in April 2013.
- The adopted 2013 Annual Action Plan must be submitted to HUD by May 17, 2013.

Lompoc Transformative Housing Project (LTHP) Request For Proposals (RFP):

The County was notified by HUD on March 13, 2012 of a *provisional award* of \$125,189 over 2 years, or approximately \$62,595 annually, in SHP funding for the Lompoc Transformative Housing Project (LTHP). The County has not received the HUD Conditional Award letter for FY 2011-12 Continuum of Care projects that were provisionally awarded funds, including the LTHP. The Conditional Award letter will provide direction on the Technical Submission documentation that is required to complete HUD’s evaluation of the projects for funding. The Technical Submission documentation is usually required to be submitted 30 days from the date of the Conditional Award letter. The Technical Submission documentation requires more detailed project information (e.g., budget figures, project sponsor, and address of project) not contained in the original application for funding under the Continuum of Care Funding Competition. The Proposed Grant Recipients must set milestones and overall program goals, which will be included in the Technical Submission documentation. The County is the Grant Recipient for the LTHP. Once the Technical Submission documentation is completed, reviewed, and approved by HUD, HUD will enter into a grant agreement with the Proposed Grant Recipients, including the County. The County will execute the grant agreement for the LTHP. The RFP for the LTHP will allow the County to identify a Project Sponsor and site for this project. Proposals solicited under the LTHP RFP will be due on December 14, 2012. The Board must approve the selection of the LTHP project sponsor, and a sub-grantee agreement between the County and the LTHP project sponsor must be executed in order for service to begin after the HUD-determined contract start date.

HOME NOFA:

On August 20, 2012, the County received the results of HUD’s monitoring review of the County’s HOME Program. The monitoring report included seventeen findings concerning the County’s HOME Program. HUD has required a number of corrective actions to be taken by the County prior to committing or disbursing any further HOME funds to any entity. In response to documentation submitted by staff, HUD allowed payments to proceed for Good Samaritan Shelter’s Casa de Familia project currently under construction in Santa Maria. However, additional analysis by staff and review by HUD will be needed before HUD will allow any further commitments and disbursements of HOME funds. Staff recommends that the HOME portion of the NOFA be separated from the NOFA process for the CDBG and ESG programs. HCD held a telephone conference call with representatives from the

HOME Consortium partner cities on October 29, 2012 to inform them of this change to the annual NOFA. Staff expects to return to the Board at a later time with a status report on the HOME NOFA.

Fiscal Analysis:

The County serves as a federal 'pass through' lead agency for these federal grant programs. According to HUD regulations, the County may retain up to 20% (\$310,643) of CDBG funds and 7.5% (\$11,823) of ESG funds for administrative expenses. The Continuum of Care Supportive Housing Program Lompoc Transformative Housing Project administrative allowance of 5% (\$6,259) will be shared equally with the project sponsor. This administrative allowance partially defrays personnel costs required to administer these programs.

Attachments:

Attachment A - FY 2013-14 Notice of Funding Availability (NOFA) and Request for Proposals (RFP)
Attachment B - Notice of Exemption