



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: June 19, 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: Execution of 2017 State of California Emergency Solutions Grants (ESG) Program Agreements

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

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 subrecipient agreements for the distribution of 2017 State of California Emergency Solutions Grant Program (State ESG) funds with the following providers in the specified amounts:
 - i) \$271,400 to Good Samaritan Shelter for the Emergency Shelter and Rapid Re-housing project (Attachment A);
 - ii) \$115,077 to NBCC dba New Beginnings Counseling Center for the Safe Parking and Homeless Outreach Program (Attachment B);
 - iii) \$130,218 to PATH Santa Barbara for the PATH Santa Barbara Emergency Shelter project (Attachment C); and
 - iv) \$38,951 to United Way of Northern Santa Barbara County for the Coordinated Entry System (Attachment D).

- 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, and direct staff to file a Notice of Exemption (Attachment E).

Auditor-Controller Concurrence

As to form: Yes

Summary Text:

The Board is being asked to approve and authorize the Chair to execute four 2017 State of California Emergency Shelter Grant (State ESG) Program subrecipient agreements with local homeless service providers. The recommended actions approve funding recommendations from the Santa Maria/Santa Barbara County Continuum of Care (CoC) Review and Rank Committee for the distribution of these funds. The recommendation action includes the execution of a subrecipient agreement with the United Way of Northern Santa Barbara County, for homeless Coordinated Entry System (CES) implementation. With Transition House's March 2018 request to no longer be a recipient of State ESG funding, the County distributed Transition House's 2017 State ESG award proportionally by component among the remaining three providers who were originally recommended by the CoC Review and Rank Committee, with the County retaining Transition House's allocation of Homeless Management Information System (HMIS) funding (\$8,250) to provide HMIS support to homeless provider agencies across the CoC. The County will use the allowable \$19,810 for grant administration. The term of the subrecipient agreements begins on the on the execution date of the Grant Agreement between the State and the County - March 27, 2018 and all Program funds must be expended by July 30, 2019.

Background:

State 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. Eligible activities include: street outreach, emergency shelter, rapid re-housing, homelessness prevention, and Homeless Management Information System (HMIS). 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 County 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" funding pool, as the County receives an allocation of ESG funds directly from HUD.

On March 30, 2016, State HCD approved the County as the Administrative Entity (AE) for State ESG funds for the CoC Service Area. The Board of Supervisors accepted the AE designation on May 3, 2016. As AE, the County is responsible for complying with federal and state requirements governing the administration of State ESG funds.

Funding Process

In January 2017, State HCD provided the County with a preliminary 2017 ESG allocation of \$527,493. \$19,667 was earmarked for County for administration and the remaining \$507,826 was included in a local Notice of Funding Availability (NOFA) that was issued on February 16, 2017. Six applications requesting a total of \$1,033,364 were submitted by the deadline of March 3, 2017.

Pursuant to authorization granted by the Board of Supervisors, CSD convened the CoC Review and Rank Committee on March 17, 2017 to evaluate applications submitted in response to the NOFA and recommend applications for approval to the Board of Supervisors on May 16, 2017. The Committee's recommendations are summarized in Table 1. The Review and Rank Committee also recommended, and the Board concurred in May, that should the County's final 2017 ESG allocation from the State remain within 20% of the preliminary allocation, County staff should distribute the difference proportionally among the recommended providers.

Table 1: March 2017 Funding Recommendations

| Applicant | Project Title | Component | Request (\$) | Component Rec. (\$) | Applicant Rec. (\$) |
|--|---|-----------|--------------------|---------------------|---------------------|
| Good Samaritan Shelter | Emergency Shelter & Rapid Re-housing | ES | 150,000 | 102,326 | 207,826 |
| | | RRH | 105,500 | 105,500 | |
| Transition House | Emergency Shelter and Rapid Rehousing | ES | 125,450 | 62,725 | 100,000 |
| | | RRH | 58,050 | 29,025 | |
| | | HMIS | 16,500 | 8,250 | |
| Carrillo Counseling Services, Inc. | Safe Parking and Homeless Outreach Program | RRH | 159,178 | 91,000 | 100,000 |
| | | HMIS | 17,686 | 9,000 | |
| PATH Santa Barbara | PATH SB Street Outreach and Emergency Shelter | SO | 50,000 | 0 | 100,000 |
| | | ES | 150,000 | 100,000 | |
| Domestic Violence Solutions for Santa Barbara County | County-wide Domestic Violence Emergency Shelter | ES | 101,000 | 0 | 0 |
| Santa Ynez Valley People Helping People | Mid Santa Barbara County Rapid Rehousing | RRH | 30,000 | 0 | 0 |
| | | HP | 70,000 | 0 | |
| County of Santa Barbara | Administration | Admin | | | \$19,667 |
| Total | | | \$1,033,364 | \$507,826 | \$527,493 |

On July 26, 2017, the State released its final ESG funding allocation of \$583,706, an 11% increase over the preliminary allocation, and announced that \$38,951 of the County's allocation was available to support the implementation of CES. Of the new allocation, \$19,810 was earmarked for County administration and \$38,951 was earmarked for CES with the County as the applicant. The remaining \$17,119 was reallocated proportionally among the four recommended providers. Table 2 summarizes the recommendations submitted to the State.

Table 2: September 2017 Funding Recommendations Submitted to State

| Applicant | Project Title | Component | Component Rec. (\$) | Applicant Rec. (\$) |
|------------------------------------|---|-----------|---------------------|---------------------|
| Good Samaritan Shelter | Emergency Shelter & Rapid Re-housing | ES | 102,325 | 214,673 |
| | | RRH | 112,348 | |
| Transition House | Emergency Shelter and Rapid Rehousing | ES | 63,796 | 103,424 |
| | | RRH | 31,378 | |
| | | HMIS | 8,250 | |
| Carrillo Counseling Services, Inc. | Safe Parking and Homeless Outreach Program | RRH | 93,524 | 103,424 |
| | | HMIS | 9,900 | |
| PATH Santa Barbara | PATH SB Street Outreach and Emergency Shelter | ES | 103,424 | 103,424 |
| County of Santa Barbara | Coordinated Entry System | CES | 38,951 | 38,951 |
| County of Santa Barbara | Administration | Admin | | 19,810 |
| Total | | | 563,896 | \$583,706 |

On October 6, 2017, the County issued a Request for Qualifications (RFQ) to identify a Coordinating Agency for the CoC's Coordinated Entry System. Coordinated Entry Systems (CES) are a requirement of the U.S. Department of Housing and Urban Development (HUD) for all Continuum of Care and

Emergency Solutions Grant (ESG) Program recipient agencies such as the County of Santa Barbara. The Santa Maria/Santa Barbara County Continuum of Care (CoC) implemented a CES in January 2018 after months of community-wide planning. The United Way submitted a comprehensive response to the RFQ which was reviewed and approved by the CoC Board. On January 23, 2018 the Board of Supervisors approved a Memorandum of Understanding (MOU) between the County and the United Way outlining the roles and responsibilities of these parties in the implementation of the CES. One of the responsibilities of the County outlined in the MOU was, as CoC Collaborative Applicant and State ESG Administrative Entity, to submit applications for funding in support of CES as available through these programs. At this time staff is recommending Board approval for the Chair to execute a subrecipient agreement with the United Way in the amount of \$38,951, the amount requested by the County specifically for CES in the 2017 State ESG application.

On March 5, 2018, the County received a letter from the Executive Director of Transition House, one of the four homeless provider agencies recommended by the CoC Review and Rank Committee, informing the County that Transition House is opting to no longer accept State and federal funding because of the emphasis placed on the Coordinated Entry System (CES). County staff and consultants have worked closely with Transition House to address their concerns, and to find ways to make compliance with HUD and State regulations work for them. Despite these efforts, Transition House’s Board of Directors voted formally to no longer accept future State and federal ESG funding, beginning with the 2017 State ESG award. After consulting with the State, the County re-distributed Transition House’s 2017 State ESG award proportionally by component among the remaining three providers who were originally recommended by the CoC Review and Rank Committee. The County retained Transition House’s allocation of HMIS funding (\$8,250) to provide HMIS support to homeless provider agencies across the CoC. This final distribution of the County’s 2017 State ESG allocation is reflected in Table 3, and is consistent with the subrecipient agreements attached to this Board Letter.

Table 3: 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 |

Subrecipient Agreement

The subrecipient agreement identifies the terms and conditions by which the State ESG funds must be administered. On page 5, Section VI (“General Conditions”) the agreement indicates the subrecipient 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).

Performance Measures:

The three subrecipients will provide quarterly reports to the County on services provided. The following tables summarize project outcomes according to goals and performance measures. Program design, funding allocations, and the characteristics of homeless individuals and households served by each subrecipient vary and impact the project outcome percentages and numbers of persons and households served. In addition, the implementation of the HUD-mandated CES means that ESG-funded rapid rehousing programs will be serving those individuals and households that are most vulnerable, have the greatest needs, and require the most intensive services to be successful in their housing placement. This may result in fewer households served, but higher levels of housing placement and retention.

Table 4: Goals – Emergency Shelter and Rapid Rehousing

| Goal | Good Samaritan Shelter | NBCC | PATH Santa Barbara |
|--|------------------------|------|--------------------|
| Total unduplicated number of persons served – Emergency Shelter (ES) | 850 | | 500 |
| Total unduplicated number of households served – ES | 175 | | 500 |
| Total unduplicated number of persons served – Rapid Rehousing (RRH) | 56 | 30 | |
| Total unduplicated number of households served – RRH | 14 | 25 | |

Table 5: Performance Measures

| Measure | Good Samaritan Shelter | NBCC | PATH Santa Barbara |
|--|------------------------|------|--------------------|
| % of participants will move into transitional housing at project exit – ES | 15 | | 20 |
| % of participants will move into permanent housing at project exit – ES | 50 | | 20 |
| % of adult participants will obtain earned income at project exit – ES | 45 | | 20 |
| % of adult participants will obtain cash/non-cash benefits at project exit - ES | 60 | | 20 |
| % of participants who move into transitional housing or permanent housing will remain housed for 3 months - ES | 80 | | 95 |
| % of participants will move into permanent housing at project exit - RRH | 100 | 65 | |
| % of adult participants will obtain earned income at project exit - RRH | 50 | 10 | |
| % of adult participants will obtain cash/non-cash benefits at project exit - RRH | 90 | 10 | |
| % of participants will remain in permanent housing for 6 months - RRH | 80 | 90 | |

HUD has not prescribed any goals for the CES itself. However, the United Way will be reporting quarterly on goals and performance measures including: progress on implementing CES entry points, trainings, housing case conferences, recruiting new housing providers to participate in CoC programs, number of standardized assessments conducted, number of referrals to permanent housing and rapid rehousing providers, and number of households referred through CES and placed in housing.

Table 6: Goals – Coordinated Entry System

| Goal | United Way |
|--|------------|
| Number of new entry points added to CES | 4 |
| Number of trainings for entry point staff | 4 |
| Number of bi-weekly housing case conferences | 45 |
| Number of marketing/outreach contacts informing the community about CES | 60 |
| Number of new affordable housing providers recruited to provide units for permanent housing placements | 8 |
| Number of standardized assessments conducted at CES entry points | 1400 |
| Number of placements into Permanent Supportive Housing through the CES | 18 |
| Number of placements into Rapid Rehousing (permanent housing) through the CES | 55 |
| Percent of placements in permanent housing (RRH and PSH) from the start of the calendar year still housed at the end of the year | 80 |
| Number of diversions to mainstream services or homeless prevention. | 300 |

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

| <u>Funding Sources</u> | <u>Current FY Cost:</u> | <u>Annualized On-going Cost:</u> | <u>Total One-Time Project Cost</u> |
|-------------------------------|--------------------------------|---|---|
| General Fund | \$ 46,000.00 | | |
| State | \$ 583,706.00 | | |
| Federal | | | |
| Fees | | | |
| Other: | | | |
| Total | \$ 629,706.00 | \$ - | \$ - |

State HCD has allocated \$583,706 in State ESG funds to the CoC Service Area for the 2017 grant year. Of that amount, \$555,646 will be distributed to providers for the delivery of eligible activities. The balance, or \$28,060, will be retained by CSD for administration and HMIS. 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.

Key Contract Risks:

The County 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. Good Samaritan Shelter Inc., New Beginnings Counseling Center, the United Way and PATH Santa Barbara all have prior experience operating federally-funded homeless assistance projects successfully.

The State ESG Program Subrecipient Agreement is a cost-reimbursement contract. This allows CSD to disburse federal funds to the aforementioned State ESG Program Subrecipients for eligible incurred costs to the extent prescribed by the Agreement. The County will only reimburse State ESG 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 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@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. 2017 State ESG Subrecipient Agreement for \$271,400 with Good Samaritan Shelter for Emergency Shelter and Rapid Re-housing project;
 - b. 2017 State ESG Subrecipient Agreement for \$115,077 with NBCC dba New Beginnings Counseling Center for the Safe Parking and Homeless Outreach Program;
 - c. 2017 State ESG Subrecipient Agreement for \$130,218 with PATH Santa Barbara Emergency Shelter project; and,
 - d. 2017 State ESG Subrecipient Agreement for \$38,951 with United Way of Northern Santa Barbara County for the Coordinated Entry System

Attachments:

- A. 2017 State ESG Subrecipient Agreement for \$271,400 with Good Samaritan Shelter for Emergency Shelter and Rapid Re-housing project;
- B. 2017 State ESG Subrecipient Agreement for \$115,077 with NBCC dba New Beginnings Counseling Center for the Safe Parking and Homeless Outreach Program;
- C. 2017 State ESG Subrecipient Agreement for \$130,218 with PATH Santa Barbara Emergency Shelter project; and,
- D. 2017 State ESG Subrecipient Agreement for \$38,951 with United Way of Northern Santa Barbara County for the Coordinated Entry System
- E. CEQA Notice of Exemption
- F. State of California ESG Standard Agreement