

DEPARTMENT OF PLANNING AND BUILDING



**TO:** Homeless Services Oversight Council Ad Hoc Grant Review Committee

**FROM:** Morgan Torell, Planner III, Department of Planning and Building  
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**VIA:** Dana Lilley, Supervising Planner, Planning and Building Department

**DATE:** September 10, 2013

**SUBJECT:** HSOC Recommendation for Allocation of 2013 County ESG, CDBG, and General Fund Support – 2013 Action Plan

**Recommendation**

That the HSOC recommend to the Board of Supervisors the allocation of County General Fund, ESG, and CDBG funds as shown in Attachment A.

**Background**

In December 2012, the HSOC recommended funding for several homeless programs using County Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funds for the 2013-2014 program year. Then, in March 2013, the Board of Supervisors approved the 2013 Action Plan, which finalized the funding amounts for the various programs. At the time of the March 2013 hearing, the U.S. Department of Housing and Urban Development (HUD) had not yet released the final allocation amounts for the County. Therefore, the County used estimates of what it thought the grant amounts would be. Subsequent to the March hearing, HUD released the final allocations. The CDBG allocation increased slightly and the ESG allocation decreased by 26 percent. More detail will be described in the CDBG and ESG sections below.

In June 2013, the Board of Supervisors approved \$202,500 of General Fund support for homeless services. Of this amount, \$22,500 was intended for special projects such as

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warming centers. The remaining \$180,000 is available for allocation to nonprofit organizations to support services and shelter for homeless persons. In past years, these funds have been allocated to five non-profit agencies, many of which also receive ESG funds. The HSOC is being asked to recommend the allocation of funds for both the General Fund and ESG, considering there is a significant cut to the ESG program.

Additionally, over the past year, HUD made it clear to the County that it should decrease the number of contracts it administers for its CDBG, ESG, and HOME programs. HUD's reason for this advice is that the staff costs for administering contracts in full compliance with federal requirements increase by nearly \$8,000 for each contract awarded. Furthermore, HUD intends to conduct monitoring visits of San Luis Obispo County under its CDBG and ESG programs in the next few years. The County is already spending approximately \$100,000 in General Fund Support for staff costs associated with the CDBG, ESG and HOME programs since federal allowances for staff costs are limited. The County was able to reduce the number of contracts it administers for the CDBG and HOME programs, and now the County must also reduce the number of contracts it administers for the ESG program.

Another HUD recommendation was to consider the demonstrated capacity of each nonprofit organization to comply with federal requirements before allocating federal funds. HUD will require the County to repay federal funds if federal requirements are not fully met.

### CDBG

The County's allocation of CDBG funds for Public Services activities (which are limited to 15% of the overall County allocation) increased from \$97,872 to \$109,642 (an \$11,770 difference). In March, the Board of Supervisors allocated the entire \$97,642 amount to Community Action Partnership's (CAPSLO) Maxine Lewis Memorial Shelter (MLM) and the Prado Day Center programs. It is recommended that the additional funds be allocated to CAPSLO for these programs because 1) the County does not recommend small allocations of funds to other agencies per HUD's direction to reduce the number of contracts it administers, and 2) providing needed emergency shelter facilities and related services is one of the two goals in addressing homelessness in the 2013 Action Plan. If MLM and Prado receive the additional funds, the allocation would be as follows:

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HSOC Report – 2013 ESG/CDBG/General Fund Allocations

September 10, 2013

<b>Program</b>	<b>CDBG Funding Approved in March 2013</b>	<b>Revised CDBG Funding Amount Recommended for 2013</b>
Maxine Lewis Memorial Shelter	\$68,510	\$76,749
Prado Day Center	\$29,362	\$32,893
<b>TOTAL</b>	<b>\$97,872</b>	<b>\$109,642</b>

\*NOTE: The other applications received for public services funds includes Loaves and Fishes (\$2,000), Atascadero Loaves and Fishes (\$15,000), the Food Bank Coalition of SLO County (\$5,000), and Transitional Food and Shelter (\$1,000). Atascadero Loaves and Fishes is receiving approximately \$8,000 from the City of Atascadero.

### **ESG**

The County's 2013 allocation of ESG funds was cut dramatically from 2012. The County's planning estimate for the ESG program was \$163,420. However, the final ESG allocation decreased to \$120,683. In following HUD's direction to reduce the number of contracts it administers, the County is proposing to reduce the number of ESG subrecipients from five to two. In doing so, the County also proposes to backfill all of the ESG funds lost for emergency shelter services to the other agencies with more General Fund support and other one-time county funds to make programs whole to 2012 funding levels.

The proposal is to allocate all ESG funds to CAPSLO and the Central Coast LINK's program. The original recommendation was to also fund the El Camino Homeless Organization (ECHO), the Women's Shelter of San Luis Obispo County, and RISE (formerly the North County Women's Shelter and Resource Center). It is recommended that the ESG funds are allocated as follows:

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Activity	Revised ESG Funding Amount Recommended for 2013
<b>Emergency Shelter</b>	
CAPSLO Maxine Lewis Memorial Shelter	\$39,428
CAPSLO Prado Day Center	\$28,493
<b>Homelessness Prevention</b>	
Central Coast LINK – Rental Assistance	\$5,538
Central Coast LINK – Housing Relocation and Stabilization Services	\$5,539
<b>Rapid Re-Housing</b>	
Central Coast LINK – Rental Assistance	\$10,624
Central Coast LINK – Housing Relocation and Stabilization Services	\$19,730
<b>Data Collection-HMIS</b>	
Central Coast LINK	\$2,280
<b>Administration</b>	
Agency Administration	\$4,526
SLO County Administration	\$4,525
<b>TOTAL</b>	<b>\$120,683</b>

### COUNTY GENERAL FUND

The County General Fund support administered by the Department of Planning and Building has traditionally been allocated to CAPSLO, the Women's Shelter of San Luis Obispo County, RISE, Transitional Food and Shelter, and ECHO.

The above ESG recommendations would eliminate ESG funding from the County to the Women's Shelter of San Luis Obispo County, RISE, and ECHO. Since the recommendation to shift funding in this manner is due to increased HUD oversight requirements and not due to the decline in need for the programs, staff recommends the County use General Fund money to continue support of these critical services. The following chart shows the proposed changes:

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HSOC Report – 2013 ESG/CDBG/General Fund Allocations

September 10, 2013

<b>Agency/Program</b>	<b>2013 General Fund Support Recommendation</b>	<b>2012 General Fund Support Allocated</b>
El Camino Homeless Organization Emergency Shelter*	\$32,019	\$30,320
Transitional Food and Shelter Emergency Shelter	\$11,563	\$7,897
Women's Shelter Program of SLO County Emergency Shelter	\$19,518	\$13,309
RISE (formerly North County Women's Shelter) Emergency Shelter	\$39,109	\$25,872
Prado Day Center Emergency Shelter	\$29,532	\$37,744
Maxine Lewis Memorial Shelter Emergency Shelter	\$42,211	\$64,858
Women's Shelter Program of SLO County Homeless Prevention	\$1,814	\$0
Women's Shelter Program of SLO County Rapid Re-Housing	\$4,234	\$0
<b>TOTAL</b>	<b>\$180,000</b>	<b>\$180,000</b>

\*NOTE: ECHO is receiving additional CDBG fund support from the City of Paso Robles, making its overall allocation approximately the same when considering General Fund support and CDBG fund allocations.

It should be noted that the County is also allocating one-time funds in the amount of \$21,028 to make all programs whole to 2012 funding levels as shown in Exhibit A. For administrative purposes only, the one-time funds are supplementing only two of the subrecipients. In future years, funding cuts are likely to impact all subrecipients.

The loss of ESG funds will not free the currently funded ESG recipient agencies (other than the domestic violence shelters) from the requirement that clients be entered into HMIS. HUD does not allow participation of domestic violence shelters in the countywide HMIS program, and excludes data from these shelters when measuring local performance. However, the domestic violence shelters will still have to provide beneficiary data separately to the County at least annually.

**CONCLUSION**

The County is proposing 1) to allocate additional County CDBG funds to the Prado Day Center and Maxine Lewis Memorial Shelter, 2) the movement of ESG and General Fund support between agencies in an effort to reduce the number of contracts it administers and because the ESG funds were cut dramatically, and 3) to make all programs whole to the 2012 funding levels with one-time funding from the County. In future years, such additional county funds will likely not be available, so some or all programs may see a cut if federal funds continue to decrease.

A concern has been raised that increasing a subrecipient's ESG allocation results in added responsibilities. While some additional responsibilities will result such as ensuring that costs are allowable under the ESG program and meeting an additional match requirement, it would not result in an increase in the number of clients who must be entered into HMIS. Additionally, the General Fund allocation could be counted as match if used for eligible ESG activities.

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**ATTACHMENT A: 2013-2014 County ESG, CDBG, and General Fund Support Allocations for Homeless Services**

	<b>County General Fund 13-14</b>	<b>ESG 13-14</b>	<b>County CDBG 13-14</b>	<b>Other One-Time County Funds</b>	<b>TOTAL</b>
El Camino Homeless Organization (ECHO)	32,019	0	-	-	<b>32,019</b>
Transitional Food and Shelter (TFS)	11,563	-	-	-	<b>11,563</b>
Women's Shelter Program of SLO County (WSP)	19,518	0	-	-	<b>19,518</b>
North County Women's Shelter	39,109	0	-	-	<b>39,109</b>
Prado Day Center	29,532	28,493	32,893	-	<b>90,918</b>
Maxine Lewis Memorial Shelter	42,211	39,428	76,749	7,080	<b>165,468</b>
Homeless Prevention Rental Assistance by the LINK	-	5,538	-	2,627	<b>8,165</b>
Homeless Prevention Housing Relocation and Stabilization Services by the LINK	-	5,539	-	2,626	<b>8,165</b>
Rapid Re-Housing Rental Assistance by the LINK	-	10,624	-	2,711	<b>13,335</b>
Rapid Re-Housing Housing Relocation and Stabilization Services by the LINK	-	19,730	-	5,036	<b>24,766</b>
Homeless Prevention by WSP	1,814	-	-	-	<b>1,814</b>
Rapid Re-Housing by the WSP	4,234	-	-	-	<b>4,234</b>
HMIS by the LINK	-	2,280	-	948	<b>3,228</b>
Administration by non-profit agencies	-	4,526	-	-	<b>4,526</b>
Administration by the County	-	4,525	-	-	<b>4,525</b>
<b>Homeless Services Total</b>	<b>180,000</b>	<b>120,683</b>	<b>109,642</b>	<b>21,028</b>	<b>431,353</b>