



SUMMARY REPORT

Agenda Date: 5/10/2022

To: Sonoma County Board of Supervisors and Board of Commissioners of the Sonoma County Community Development Commission

Department or Agency Name(s): Sonoma County Community Development Commission

Staff Name and Phone Number: Dave Kiff, (707) 565-7504

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Federal Emergency Solutions Grants-CARES Act: Amendments to FY 2019-20 and FY 2020-21 Action Plans

Recommended Action:

- A) Approve an Amendment to the Sonoma County 2015 Consolidated Plan Action Plan: One-Year Use of Funds for FY 2019-20 related to the use of Emergency Solutions Grants-CARES Act (ESG-CV) funds.
- B) Approve an Amendment to the Sonoma County 2020 Consolidated Plan Action Plan: One-Year Use of Funds for FY 2020-21 for the revised use of ESG-CV funds.
- C) Authorize and direct the Executive Director of the Sonoma County Community Development Commission (CDC), or designee, to execute Agreements with FY 2020-21 ESG-CV subrecipients and contractors on behalf of the County or CDC, as applicable, in accordance with the Action Plan, and to execute amendments and modifications to said Agreements.

Executive Summary:

This agenda item seeks approval of Amendments to the Sonoma County 2015 Consolidated Plan Action Plan: One-Year Use of Funds for 2019-20 and the Sonoma County 2020 Consolidated Plan Action Plan: One-Year Use of Funds for FY 2020-21. The U.S. Department of Housing and Urban Development (HUD) requires submission of these Action Plans to enable the "Urban County" entitlement jurisdiction to receive Emergency Solutions Grants-CARES Act (ESG-CV) funding. In June and November of 2020, your Board previously approved Amendments to the FY 2019-20 and FY 2020-21 Action Plans related to the use of the ESG-CV funding. The current proposed Action Plan Amendments will make changes to those prior approvals to reflect the redirected use of funds to primarily assist non-congregate shelter activities, rather than rapid re-housing and congregate emergency shelters, as this use of the funds could be put in place more expediently and would be more effective in protecting the county's residents from the coronavirus. The Amended Plans list the specific activities that will be assisted using \$7,162,916 of ESG-CV funding through September 30, 2023.

This agenda item is distinguished from a similar item on your Board's May 10, 2022 calendar, Item #2022-0370 that, for the first time, requests approval of a Substantial Amendment to the FY 2021-22 Action Plan to add the use of Community Development Block Grant-CARES Act (CDBG-CV) funds, as well as adoption of the FY 2022-23 Action Plan to describe the planned use of CDBG, HOME Investment Partnerships Act (HOME), and ESG funds that are not provided through the CARES Act.

Discussion:

Consolidated Plan and Urban County Entitlement

The Board of Supervisors approved the Sonoma County 2015 Consolidated Plan on May 5, 2015, and the 2020 Consolidated Plan on June 2, 2020. The Consolidated Plan is a document required by HUD for jurisdictions receiving annual formula grants under the Community Development Block Grant (CDBG), HOME Investments Partnerships (HOME), and Emergency Solutions Grants (ESG) programs, as well as supplemental CDBG and ESG funds provided under the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), and supplemental HOME funds provided under the *American Rescue Plan Act* (ARPA). Each Consolidated Plan spans a five-year planning period and lays out local rationales and priorities for the use of the subject federal grant funds and specifies the activities that will be assisted with these funds to benefit lower-income residents.

For Sonoma County, the entitlement entity that is eligible to receive CDBG, CDBG-CV, HOME, HOME-ARPA, ESG, and ESG-CV allocations is the “Urban County,” which is established through a Joint Powers Agreement (JPA) between the County of Sonoma and the cities/towns of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and Windsor. The Sonoma County Community Development Commission (CDC) is the designated fiscal agent under the JPA and administers all aspects of the Urban County program using these funds from HUD.

Prior Action Plan Amendments for Use of ESG-CV Funds

Shortly after the onset of the coronavirus pandemic, HUD notified the Urban County that it would receive a total of \$7,162,916 in ESG-CV funds to pay for shelter and services that would help to prevent, prepare for, and respond to the coronavirus’ impacts on residents who are homeless. The funds were provided in 2 allocations, with a first grant of \$564,000 in September 2020 and a second grant of \$6,598,916 in March 2021. Your Board approved an Amendment to the FY 2019-20 Action Plan on June 9, 2020 to receive the first grant, and an Amendment to the FY 2020-21 Action Plan on November 10, 2020 to receive the second grant.

Because the ESG-CV funds derive from federal FY 2020-21 budget, they should be shown only in the FY 2020-21 Action Plan rather than being divided between the FY 2019-20 and FY 2020-21 Plans. Also, both of the Action Plan Amendments that were submitted to HUD erroneously included the combined \$7.16 million of both grants. To correct these issues, your Board’s approval of the attached FY 2019-20 Action Plan amendment would simply remove all ESG-CV funds from that Plan, noting that the funds are instead included in the FY 2020-21 Plan. This action will align the Plan with the appropriate federal budget year and prevent any confusion caused by having the funds duplicated in 2 separate Plans.

Revised Uses of ESG-CV Funds

Your Board’s prior Resolutions approved in June and November 2020 specified that the ESG-CV funds would be used to assist activities in 6 broad categories: rapid re-housing, communal emergency shelter, non-congregate shelter, street outreach, Homeless Management Information System (HMIS) support, and administration. As the pandemic progressed over time, more was learned about best practices for preventing and responding to the spread of the coronavirus. The Department of Health Services (DHS) and CDC staff worked to use all available resources in ways that would best address the rapidly emerging and changing needs in the community. It became apparent that the use of the ESG-CV funds for non-congregate shelters, which could be established quickly in existing facilities and allow for isolation of sick or at-risk residents, would be more expedient and effective than assisting communal shelters or rapid re-housing programs, and would therefore better protect both housed and un-housed residents of the county. The following table shows the revised allocations to fund this changed approach:

Activity	Prior Board Resolutions	Revised Allocations	Increase / (Decrease)
Rapid Re-Housing	\$2,501,600	\$50,000	(\$2,451,600)
Communal Emergency Shelter	\$1,185,592	\$0	(\$1,185,592)
Non-Congregate Shelter	\$1,173,985	\$4,811,177	\$3,637,192
Street Outreach	\$1,189,622	\$1,189,622	\$0
HMIS Support	\$395,826	\$395,826	\$0
Administration	\$716,291	\$716,291	\$0
Totals	\$7,162,916	\$7,162,916	\$0

Within these broad categories, the FY 2020-21 Amended Action Plan allocates the federal FY 2020-21 ESG-CV funds to the following specific programs:

Agency	Program	Funding Amount
InterFaith Shelter Network	Rapid Re-housing	\$50,000
West County Community Services	Navigation Center	\$801,000
Committee on the Shelterless	Temporary Placement Center	\$261,545
Sonoma Overnight Support	Sonoma Valley Wintertime Hotel Stay Program - Services	\$85,564
Sonoma Overnight Support	Sonoma Valley Wintertime Hotel Stay Program - Hotel	\$119,480
Department of Health Services	Astro Hotel	\$1,027,230
Department of Health Services	Alliance Redwoods	\$255,296
Sonoma County CDC	Los Guilicos Village NCS Site	\$2,261,062
Department of Health Services	Interdepartmental Multidisciplinary Team (IMDT) - Street Outreach	\$1,189,622
Sonoma County CDC	HMIS Support	\$395,826
Sonoma County CDC	Administration Costs	\$716,291
Total		\$7,162,916

Approximately \$3 million of these funds has been drawn down to date to reimburse the agencies for work already performed. As is typical for ongoing grant expenses, at this point in time an unknown amount of the funds has been expended by the agencies but not yet included in invoices requesting reimbursement from the CDC. The balance of funds will be used to pay for services provided from May 2022 through the final (and recently extended) expenditure deadline of September 2023.

Approval of FY 2020-21 Amended Action Plan

The Community Development (CD) Committee (comprised of 1 representative of each supervisorial district and 2 tenant representatives of the Sonoma County Housing Authority, who are all appointed by your Board,

plus 1 appointee by the Human Services Department Director), and the Cities and Town Advisory Committee (CTAC) (comprised of 1 representative from each of the 7 incorporated jurisdictions that participate in the Urban County JPA), reviewed the revised use of the ESG-CV funds during their publicly noticed meetings on April 20, 2022. During their discussions, the committee members recognized the emergency nature of the decision-making processes that were happening as all available funds were being put to use to protect our most vulnerable community members during the pandemic. They also expressed disappointment that their committees and the Continuum of Care Board were not consulted to provide their recommendations about the change in use of the funds. Both committees then voted to recommend your Board's approval of the Amendments to the FY 2019-2020 and FY 2020-21 Action Plans to assist the programs summarized above.

The federal CARES Act waives the requirement to perform environmental reviews for projects funded with ESG-CV grants, and also waives the requirements for a public hearing and 30-day comment period for approval of Action Plans related to ESG-CV funding. The Amended Action Plans will be posted on the CDC website, as required, for public information.

Upon receipt of your Board's approval of the Amendments to the FY 2019-20 and FY 2020-21 Action Plans, CDC staff will submit the revised Plans to HUD and notify all subrecipients and contractors of the final funding allocations. All funds must be expended by September 30, 2023.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan by building up emergency shelter, non-congregate shelter, and interim housing programs that serve the unhoused. It is aligned with the following pillar, goal, and objective:

Pillar: Healthy and Safe Communities

Goal: Goal 4: Reduce the County's overall homeless population by 10% each year by enhancing services through improved coordination and collaboration.

Objective: Objective 5: Continue to collaborate with local partners, including Continuum of Care, to advance planning and policies to address homelessness.

Prior Board Actions:

On November 16, 2021, this Board adopted a resolution authorizing and directing the CDC to 1) receive up to \$452,220 in federal ESG funds from the State Department of Housing and Community Development (Department); 2) function as Administrative Entity for administration of the State's federal ESG funds; and 3) authorizing the Executive Director or Assistant Director of the CDC to execute standard agreement and any subsequent amendments or modifications thereto, as well as any other documents related to the ESG Program or the ESG Program grant, as the Department may deem appropriate.

On November 10, 2020, this Board 1) adopted a resolution and an Amendment to the FY 2020-21 One-Year Action Plan authorizing the CDC to receive up to \$6,598,916 in Round 2 Emergency Solutions Grant Program via the CARES Act (ESG-CARES) from the Department of Housing and Urban Development (HUD) and award funds to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless assistance; 2) authorized the CDC to receive \$6,598,916 in Round 2 Emergency Solutions Grant Program federal pass-through CARES Act (ESG-CARES) from the State of California Department of Housing and Community Development and delegate authority to the interim CDC Director to award funds to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families

who are homeless or receiving homeless assistance; 3) approved use of \$1,394,042 in Housing Authority Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Administrative funds for the Housing Authority to use to prevent, prepare for, and respond to the COVID-19 pandemic; 4) adopted a Resolution and amendment to the 2020 One-Year Action Plan authorizing the CDC to utilize a COVID-related waiver from the Department of Housing and Urban Development to allow \$134,401 in HOME Community Housing Development Organization (CHDO) set-aside funds to be redirected for tenant-based rental assistance; 5) adopted a Resolution authorizing the CDC to receive \$4,987,187 in Emergency Solutions Grant Program (ESG-CV) from State of California Department of Housing and Community Development and delegate authority to the interim CDC Director to award funds to support response to the coronavirus pandemic; and 6) adopted a resolution adjusting the fiscal year 2020-2021 adopted budget to facilitate use of \$4,987,187 in Emergency Solutions Grant Program and delegate authority to the interim CDC Director to award funds to support response to the coronavirus pandemic.

On June 9, 2020 1) the Board of Commissioners adopted a resolution approving CARES Act State ESG funding enabling the Interim Executive Director or Designee to approve acceptance of funding and 2) this Board and Board of Commissioners adopted a resolution amending the FY 2019-20 One-Year Action Plan and Citizen Participation Plan.

On June 2, 2020 this Board approved the Sonoma County 2020 Five-Year Consolidated Plan and Action Plan: One-Year Use of Funds Fiscal Year 2020-21 for the proposed use of Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grants (ESG) funds.

On May 5, 2015, this Board approved the Sonoma County 2015 Five-Year Consolidated Plan.

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY 22-23 Projected	FY 23-24 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures	0	0	0
Funding Sources			
General Fund/WA GF			
State/Federal - HUD ESG-CV			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	0	0	0

Narrative Explanation of Fiscal Impacts:

There are no fiscal impacts associated with this item. The intent is to revise Sonoma County's previously approved annual Action Plans to be in compliance with the U.S. Department of Housing and Urban Development (HUD).

Staffing Impacts:

Agenda Date: 5/10/2022

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1 - Draft Amendment FY 2019-20 Action Plan May 2022

Attachment 2 - Draft Amendment FY 2020-21 Action Plan May 2022

Related Items "On File" with the Clerk of the Board:

None