



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 19-513

Board Meeting Date: 6/4/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Ken Cole, Director, Department of Housing
Subject: California Emergency Solutions and Housing (CESH) Funds

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The Department of Housing to accept California Emergency Solutions and Housing (CESH) funds in an amount not to exceed \$705,740 and to award that funding to qualified service providers through a project selection process that meets the requirements of CESH Regulations, with adjustments to be made to individual awards on a pro rata basis once final allocations have been confirmed; and
- B) The Director of the Department of Housing, or his/her designee, to execute a standard agreement with the State and any subsequent amendments, documents, and modifications, which are related to the CESH Program or Funds, and to execute contracts with awardees identified through the project selection process.

BACKGROUND:

The State of California Department of Housing and Community Development (HCD or Department) administers the California Emergency Solutions and Housing (CESH) program with funding received from the Building Homes and Jobs Act Trust Fund, established with the passage of Senate Bill 2 in 2017. The CESH Program provides funds to assist persons experiencing or at risk of homelessness, including (1) housing relocation and stabilization services such as rental assistance; (2) operating subsidies for permanent housing; (3) flexible housing subsidy funds; (4) operating support for emergency housing interventions; and (5) systems support for homelessness services and housing delivery systems.

HCD released the Notice of Funding Availability for the CESH Program (CESH NOFA) on April 8, 2019. As part of the application requirements for the CESH NOFA, HCD is requiring applicants to obtain a Governing Board Authorizing Resolution that must substantially conform to the sample resolution provided by HCD. However, until the State makes final allocations, the total amount of

funds that will be made available to applicants will not be known. Thus, HCD has recommended that the Department of Housing (DOH) seek authorization “in an amount not to exceed \$705,740,” an amount equal to double the preliminary CESH allocation for San Mateo County according to current formula calculations, to avoid having to seek this Board’s authorization again once the final CESH allocation is determined. Approximately five percent of this amount is available for direct administrative or program costs. In accordance with said application requirements, the accompanying resolution also includes an Attachment A that: (1) is formatted in a way that differs from the standard County resolution in order to comply with the application requirements of the CESH NOFA; and (2) must be executed contemporaneously with the standard County resolution.

DISCUSSION:

DOH currently administers the State Emergency Solutions Grants Program and is the Administrative Entity for the County’s Continuum of Care (CoC) Service Area, as designated by the County of San Mateo Human Services Agency (HSA). HSA is the lead agency for the CoC and works with other agencies in the CoC to prioritize funding needs. DOH issues a Notice of Funding Availability, gathers responses, and then works with the CoC to review applications, select awardees, and determine funding levels. A similar methodology will be applied to the CESH funding allocated to the County by HCD.

Staff is recommending that CESH funds be used towards operating subsidies in the form of 15-year capitalized operating reserves for new and existing affordable permanent housing units for homeless individuals and/or families, which is an eligible activity under the CESH Program. According to HCD’s recommendation to double the County’s expected allocation according to current formula calculations, “an amount not to exceed \$705,740” will be made available. Upon the release of final CESH allocations confirmed by HCD, individual awards will be made on a pro rata basis.

County Counsel has reviewed and approved the resolution as to form.

Approval of these actions contributes to the Shared Vision 2025 outcome of a Livable Community in that they enable the receipt of funding critical to a spectrum of activities that help vulnerable residents achieve a sustainable quality of life.

PERFORMANCE MEASURE:

Measure	FY 2019-20 Projected
# of homeless persons served	TBD
# of homeless persons permanently housed	TBD

FISCAL IMPACT:

There is no net County cost. CESH funds are one-time state funds that will be administered by DOH.