



**San Luis Obispo
Countywide 10 Year
Plan to End
Homelessness**

*We envision a future
in which the housing
and comprehensive
services necessary to
remain housed are
available for all,
affording everyone
maximum self-
sufficiency, and the
opportunity to be
productive and
participating
members of our
community*

HOMELESS SERVICES OVERSIGHT COUNCIL (HSOC) Special Meeting Agenda

March 5th, 2021, 1 p.m.

Members and the public may participate by Zoom video call:

<https://zoom.us/j/91204784095?pwd=QmpuN0lqaHowTVoyVUhoNVcvYjVlKQT09>

Or call in (audio only):

+1 669 900 9128

Meeting ID: 912 0478 4095

Passcode: 562241

1. Call to Order and Introductions
2. Public Comment
3. Action/Information/Discussion
 - 3.1. Action Item: Vote to recommend 1) reallocation of \$129,764 from the County's Homeless Emergency Aid Program (HEAP) grant from its Administrative award to the Community Action Partnership of San Luis Obispo's HEAP grant; and 2) awarding program income from the HEAP grant to the existing subrecipients and the County to be used for HEAP-eligible purposes.
4. Next Regular Meeting: Wednesday 17th March at 1pm
5. Adjournment

HOMELESS SERVICES OVERSIGHT COUNCIL
ACTION ITEM
March 5, 2021

AGENDA ITEM NUMBER: 3.1

ITEM: Vote to recommend 1) reallocation of \$129,764 from the County's Homeless Emergency Aid Program (HEAP) grant from its Administrative award to the Community Action Partnership of San Luis Obispo's HEAP grant; and 2) awarding program income from the HEAP grant to the existing subrecipients and the County to be used for HEAP-eligible purposes.

ACTION REQUIRED: Vote to recommend awarding the interest earned from the Homeless Emergency Aid Program (HEAP) funding to the existing subrecipients and the County; and 2) recommend reallocation of \$129,764 in HEAP funds from Administrative costs to the Community Action Partnership of San Luis Obispo's existing HEAP award.

SUMMARY NARRATIVE:

Background

The Homeless Emergency Aid Program (HEAP) was authorized in 2018 by California Senate Bill 850 (SB850) to provide assistance to cities, counties and the Continuums of Care in addressing homelessness. HEAP funding may be used for a broad variety of homeless assistance, including services and shelter operations, as well as capital projects such as the construction or rehabilitation of shelters, facilities, and transitional or permanent housing to directly benefit persons experiencing or at-risk of homelessness.

At least five percent of a Continuum of Care's HEAP funding must be used to assist homeless youth. Up to 5% may be used for the costs of administering the HEAP grant.

HEAP grants are one-time only and all funds awarded must be expended by HEAP subrecipients no later than June 30, 2021. CoCs and local governments may earn interest on HEAP funds, but all interest earned is considered program income and must be awarded to subrecipients proportionally based on the awards of the primary grant.

Grant Awards

On January 15, 2019, the County was awarded \$4,837,814.09 by the State of California's Homeless Coordinating and Financing Council (HCFC). The County in turn awarded grants on April 23, 2019 totaling \$4,596,589 to four projects and directed that funds for the South County project be linked to the Hillside Church in Grover Beach. A description of these

projects may be found in Attachment A. In addition, \$241,225 was set aside for Administrative costs.

On August 13, 2019, the Board of Supervisors voted to specify that HEAP funds were not tied to the original locations approved. Due to barriers to acquisition of the originally selected South County location, the South County project was modified in late summer of 2019 to split the original project into two separate sites with two separate subrecipients. The County then entered into contracts with HEAP subrecipient agencies (see Table 1).

Table 1 –Contracts and Projects

Subrecipient Entity	Project	Funding
5Cities Homeless Coalition (5CHC)*	Homeless Services Center in Grover Beach	\$956,081.90
People's Self-Help Housing (PSHH)*	Permanent Supportive Housing and Transitional Housing for Homeless Youth in Pismo Beach	\$1,536,654.10
Community Action Partnership of San Luis Obispo (CAPSLO)	Medically Assisted Treatment Facility in San Luis Obispo	\$1,504,462
City of Paso Robles*	North County Homeless Services Project (creation of a new shelter in Paso Robles, addition of beds to an existing shelter in Atascadero)	\$357,500
5CHC Homeless Youth Project	Homeless Youth Project	\$241,891
County of San Luis Obispo	Administrative Costs	\$241,225
	Total	\$4,837,814

*These projects were approved by the Board of Supervisors on April 23, 2019 as a South County homeless services project. All activities were originally proposed for one location, but when the original location was no longer feasible, the project activities were split across two locations.

**Contract administration will be assigned by the City of Paso Robles to the Housing Authority of San Luis Obispo in March 2021.

In 2020, the City of Paso Robles determined that that original location chosen for the Paso Robles portion of the North County Homeless Services project was no longer feasible. The El Camino Homeless Organization (ECHO), then worked with the Housing Authority of San Luis Obispo (HASLO), People's Self-Help Housing and County staff to identify an alternative location. A site was identified and acquired with the State's Project Homekey funding in

November 2020 and a permanent housing component was added. The City is now in the process of assigning its contract to HASLO.

COVID and Proposed Reallocation

Due to the impacts of the pandemic, including a delay in hiring a HEAP-related staff position and the need to shift staff focus to COVID-related work, the County anticipates that approximately \$91,764 of its administrative funds will be unable to be spent by June 30, 2021. It is recommended that this funding be reallocated to the CAPSLO Medically Assisted Treatment Facility to assist in the completion of the project. Staff additionally recommend that \$38,000 that had been set aside to engage a consultant to assist with monitoring be reallocated to the CAPSLO HEAP project as well. In total, it is recommended that \$129,764 in HEAP Administrative funds be reallocated to the CAPSLO HEAP Project.

Due to rising capital costs since the funding was initially awarded, CAPLSO estimates an additional \$260,000 will be needed to bring the CAPSLO project to completion.

Interest

When HEAP funds were initially received from the State in January 2019, they were placed in an interest-bearing account. While most of the interest earned on the account occurred in 2019 prior to the first draw down, the remaining funds have continued to earn interest. Under HEAP rules, those funds must be treated as program income and awarded in proportion to the grant awards. As of February 21, 2021, a total of \$114,824.87 had been earned.

It is recommended that this funding be allocated proportionally, per State guidance, to each of the funded activities. It is further recommended that this proportion be determined after the reallocation of funds to the CAPSLO project.

All subrecipients were contacted about the proposed interest awards to ensure they would be able to spend the proposed interest awards on eligible expenses within the deadlines established by the State. People's Self-Help Housing requested that the interest for which they were eligible be awarded instead to the 5Cities Homeless Coalition (5CHC). All other subrecipients indicated they would accept and be able to use the additional funding for eligible expenses for their HEAP projects within the deadlines set by the State.

The recommended allocations are set forth in Table 2.

Table 2 – Revised Awards After Reallocation and Interest Distribution

Subrecipient	Awards after Reallocation	% Share of Award	Share of Interest	Revised Award
5Cities Homeless Coalition (5CHC) Services Center	\$956,081.90	19.76%	\$22,692.48 + \$36,472.28 (People's Self-Help Housing share of interest)	\$1,015,246.66
People's Self-Help Housing	\$1,536,654.10	31.76%	\$36,472.28 (delegated to 5CHC)	\$1,536,654.10
Housing Authority of San Luis Obispo	\$150,446.2	31.10%	\$35,708.20	\$1,540,170.20
Community Action Partnership of San Luis Obispo	\$487,264	10.07%	\$11,565.14	\$498,829.04
5CHC Youth Project	\$241,891	5.00%	\$5,741.25	\$247,632.25
Administrative	\$111,461	2.30%	\$2,645.51	\$114,106.62
		Total	\$114,824.87	\$4,952,638.87

BUDGET/FINANCIAL IMPACT:

Upon HSOC approval, the recommendations will be submitted to the County Board of Supervisors. Should the Board approve the recommendations, \$129,764 in HEAP funding may be reallocated to CAPSLO contract for the Medically Assisted Treatment Facility. In addition, \$114,824.87 in interest will be awarded to HEAP subrecipients.

STAFF COMMENTS:

The State has determined the interest earned on HEAP funding is not subject to the statutory expenditure deadline of June 30, 2021 and has extended the deadline for expenditures of those funds. In order to meet the State's revised deadline for interest expenditures, local subrecipients will have until July 31, 2021 to expend the interest awarded to them and until August 31, 2021 to submit bills to the County for reimbursement.

Staff consulted with the HEAP subrecipient agencies with regard to proposed reallocation of funds to the CAPSLO project as well as the proposed awarding of interest. The HEAP subrecipient agencies indicated they would support the proposed reallocation of a portion of the administrative funding to the CAPSLO project.

Should the HSOC make the recommendations requested and should the Board of Supervisors agree to authorize the reallocation, the County will then need to request a modification to the HEAP Standard Agreement between the County and the State. Should the State make the modifications, the County will be able to execute a modified contract with CAPSLO following the modification of the State's Standard Agreement with the County. Staff have contacted the State's HEAP staff to discuss and believe it is likely that the State will honor the request from the County.

Action Item 3.1
Attachment A – HEAP Project Descriptions and Updates

1. **Name of Project:** North County Coordinated Homeless Services Project
Subrecipient: City of Paso Robles/Housing Authority of San Luis Obispo
Original Award Amount: \$1,504,462
Project Description: The City of Paso Robles was approved for funding to create the First Step Navigation Center, which would provide a congregate, winter warming shelter and year-round meals and services. In addition, the project would make capital improvements to expand the ECHO shelter in Atascadero by ten beds and to add capacity to support expanding the Atascadero shelter hours from 12 hours per day to 24 hours.
Project Status: Substantial barriers to development of the original site for the First Step Housing Navigation Center were encountered. With funding from the State's Project Homekey program, and planning assistance from People's Self-Help Housing and the El Camino Homeless Organization, the Housing Authority of San Luis Obispo (HASLO) acquired property located at 1134 Black Oak Drive in Paso Robles for the First Step Housing Navigation Center, which will now provide year-round, non-congregate shelter. In addition, a portion of the property will be converted to housing for homeless persons and persons at-risk of homelessness. The City of Paso Robles is expected to assign administration of the HEAP contract to HASLO in March 2021. ECHO is preparing to obtain bids for the capital improvements to the ECHO Atascadero shelter and anticipates fully expending the HEAP award by June 30, 2021.
2. **Name of Project:** Medication Assisted Treatment Facility
Subrecipient: Community Action Partnership of San Luis Obispo (CAPSLO)
Original Award Amount: \$357,500
Project Description: Community Action Partnership of San Luis Obispo will make capital improvements at the property located at 34 Prado Road, San Luis Obispo, CA 93401 for the purpose of creating a Medication Assisted Treatment Facility on that property for homeless persons and persons at risk of homelessness. Capital improvements to be provided may include site improvement needed for development of the Withdrawal Management Shelter. Services to be provided at the Withdrawal Management Facility may include withdrawal management and shelter for withdrawal management and residential treatment clients, case management, and other assistance for people experiencing homelessness or at risk of homelessness.
Project Status: Construction has begun; CAPSLO seeking \$260,000 in additional funding to complete the project.
3. **Name of Project:** Transitional Housing for Youth and Permanent Supportive Housing
Subrecipient: People's Self-Help Housing
Award Amount: \$ 1,536,654.10
Project Description: People's Self-Help Housing will use the property located at 855 4th Street, Pismo Beach, CA 93449 for the purpose of constructing and operating at least five supportive housing units for homeless youth, and at least 19 units of permanent supportive housing for homeless persons.
Project Status: Property acquired. Existing buildings demolished, No Place Like Home grant obtained, and seeking final funding needed to develop housing.

Action Item 3.1
Attachment A – HEAP Project Descriptions and Updates

4. **Name of Project:** Housing for Homeless Youth
Subrecipient: 5Cities Homeless Coalition
Award Amount: \$ 241,891
Project Description: Limited term rental assistance to youth, and case management services. Host homes project.
Project Status: Due to COVID, focused on limited-term rental assistance to homeless youth, and homelessness prevention.

5. **Name of Project:** South County Homeless Services Center
Subrecipient: 5Cities Homeless Coalition
Award Amount: \$956,081.90
Project Description: The 5Cities Homeless Coalition (5CHC) will use the property located at 100 South 4th Street Grover Beach, CA 93433 for the purpose of providing office space for 5CHC and its partner agencies as appropriate and to operate navigation services to homeless individuals and families and individuals and families at risk of homelessness. Up to \$100,000 of the funds awarded may be used for improvements to the property. These improvements may include improvements or repairs to the roof, creation of private client meeting spaces, creation of work stations, and other improvements mutually agreed upon by 5CHC and the CoC.
Project Status: Property acquired, repairs underway.