



COUNTY ADMINISTRATOR
220 NORTH MAIN STREET, P.O. BOX 8645
ANN ARBOR, MICHIGAN 48107-8645
(734)996-3055
FAX (734)994-2592

TO: Felicia Brabec, Chair
Ways and Means Committee

THROUGH: Verna J. McDaniel
County Administrator

FROM: Mary Jo Callan, Director
Office of Community & Economic Development

DATE: September 4, 2013

SUBJECT: Emergency Solutions Grant (ESG) Program

BOARD ACTION REQUESTED:

The Office of Community & Economic Development requests that the Board of Commissioners ratify the County Administrator's signature on the electronic submission of the grant application to the Michigan State Housing Development Authority (MSHDA) for the 2013-14 Emergency Solutions Grant (ESG) program in the amount of \$412,188; authorize the County Administrator to sign the Notice of Grant Award; approve the budgets; and authorizing the County Administrator to sign delegate contracts.

BACKGROUND:

Until 2010, Washtenaw County nonprofits historically received an annual allocation of Emergency Solutions Grant funding (ESG; formerly "Emergency Shelter Grant") directly from the Michigan State Housing Development Authority (MSHDA) the purpose of which was primarily to support the operations of local emergency shelters. This changed in the 2010-11 funding cycle, when MSHDA mandated the selection of a fiduciary agency responsible for all sub-contracting, financial documentation, monitoring, and communication with MSHDA. It was determined by the community that Washtenaw County – specifically the Office of Community & Economic Development – was best positioned to fulfill this role. MSHDA agreed, and has been awarding ESG funds to Washtenaw County as the local ESG fiduciary since the State's 2010-11 fiscal year.

Concurrently in 2010, the Washtenaw Urban County was eligible for a direct allocation of ESG funding directly from the Department of Housing & Urban Development (HUD). With the City of Ann Arbor joining the Washtenaw Urban County—the "Participating Jurisdiction" for the purposes of HUD funding—our community was allocated additional ESG funds. Given the short timeframe between of the release final NOFA, award

notices, and submission of applications for both MSHDA and HUD ESG pools of funding, the Washtenaw Urban County decided to combine its HUD ESG funding into the MSHDA ESG funding process in an effort to bolster our current housing and homelessness system and to ensure coordination among recipients.

This resolution requests that the Board of Commissioners authorize another year (State FY 2013-14) of ESG funding from MSHDA to be administered by the Office of Community & Economic Development, and passed through to support single point of entry activities in the community. The Board of Commissioners has already authorized (Board of Commissioners Resolution Number 13-0085) OCED to administer HUD ESG 2013-14 funds for these activities.

As it has for the past three years, MSHDA is again mandating that the FY 2013-14 ESG funding continue to be used for the implementation of a single access point for all homeless services and shelters in the community. Elements of this mandate include:

- Designating at least 40% of ESG funding to Homelessness Prevention and Re-Housing activities (including a minimum of 15% of that amount towards rapid re-housing);
- Continuation of a Housing Assessment and Resource Agency that will function as the primary entry point for all housing and utilities crises for Washtenaw County residents. This “single point of entry” is being led by The Salvation Army, and is designed to ensure seamless and appropriate access to needed (and available) resources for anyone experiencing homelessness in Washtenaw County;
- No additional resources allocated to emergency shelter operations.

DISCUSSION:

On Friday, July 26th, members of the Funding Review Team (FRT) of the Washtenaw Housing Alliance – the local Continuum of Care board, which is charged with overseeing the funding process for MSHDA ESG funding – began the funding review process for the Emergency Solutions Grant (ESG) 2013-14 grant year. This following details the funding review and recommendation process as well as final CoC-approved funding awards:

Review of ESG Regulations & Funding Reductions

A synopsis comparing the two different sources of Emergency Solutions Grant funding (HUD ESG and MSHDA ESG) was disseminated. As in previous years, MSHDA mandated that agencies designated as the centralized Housing Assessment and Resource Agency (HARA) during the 2012-2013 ESG fiscal year – locally called Housing Access for Washtenaw County (HAWC) and operated by The Salvation Army – continue their role as the HARA for the 2013-2014 ESG Program, unless there is documented evidence of poor performance or extenuating circumstances (which there are not for the current HARA). Additional mandates/considerations included:

- No less than 15% of the total MSHDA ESG award must be budgeted for Rapid Re-Housing (RRH) Assistance, with the HARA being the only entity eligible to distribute these funds.
- Grantees must maintain a high level MSHDA-specific documentation for each household assisted with MSHDA ESG direct assistance funds.
- The overall funding available from both HUD and MSHDA ESG combined was reduced by \$54,142, compared to the 2012-13 grant year.

Given these limitations and reductions to funding, particularly the limiting mandate that the HARA remain the same entity, the FRT determined that a full competitive Request for Proposal (RFP) – as was conducted prior to FY2012-13 – was impractical. As such, the FRT moved forward with a renewal grant review process. This process included the following steps:

- **Review of 2012-13 Initial Data and Outcomes for all ESG partners**
- **Review of 2012-13 Monitoring Results**
- **Q&A with HAWC Executive Committee**
- **Targeted Q&A with Current ESG Grantees**

Based on this review process, the decision made was to continue the current HAWC partnership between The Salvation Army, the Shelter Association of Washtenaw County and Interfaith Hospitality Network of Washtenaw County. Additionally, funding was continued for specific coordinated partnerships with other community agencies to handle aspects of homelessness prevention and rapid re-housing. Finally, SafeHouse Center and Ozone House were funded to continue services to domestic violence survivors and youth, in which they are identified as the community's experts for these respective populations. In response to continued concern for the stability of the Safehouse shelter program, their funding was awarded for shelter operations specifically.

MSHDA ESG Allocations 2013-14

| | |
|--|------------------|
| Interfaith Hospitality Network | \$35,000 |
| The Salvation Army | \$231,557 |
| Office of Community & Economic Development (Fiduciary) | \$8,235 |
| <i>TOTAL</i> | <i>\$274,792</i> |

HUD ESG Allocations 2013-14

| | |
|--|------------------|
| Domestic Violence Project dba, Safehouse Center | \$31,277 |
| Shelter Association of Washtenaw County | \$42,000 |
| Ozone House | \$29,204 |
| The Salvation Army | \$3,061 |
| SOS Community Services | \$30,000 |
| Office of Community & Economic Development (Fiduciary) | \$10,000 |
| <i>TOTAL</i> | <i>\$145,542</i> |

IMPACT ON HUMAN RESOURCES:

None

IMPACT ON BUDGET:

The Fiscal Year 2013-14 MSHDA Emergency Solutions Grant (ESG) program provides \$274,792 in funding for nonprofit housing and homelessness activities in Washtenaw County. A 50% match, totaling \$137,396, is required for the MSHDA ESG program. No General Fund dollars are requested with this board action.

IMPACT ON INDIRECT COSTS:

None

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

The requested action will result in continued collaboration among the Washtenaw County Continuum of Care (also known as the Washtenaw Housing Alliance) member agencies, representing a comprehensive array of homelessness and housing providers, public agencies, and private sector partners. The MSHDA ESG program will also implement nationally-recognized, best-practices to the local housing and homelessness system with the continuation of the Single Point of Entry Agency at The Salvation Army.

CONFORMITY TO COUNTY POLICIES:

This request conforms to County policies.

ATTACHMENTS/APPENDICES:

- Resolution
- Budget

A RESOLUTION AUTHORIZING THE BOARD OF COMMISSIONERS TO RATIFY THE COUNTY ADMINISTRATOR'S SIGNATURE ON THE ELECTRONIC SUBMISSION OF THE GRANT APPLICATION TO THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (MSHDA) FOR THE 2013-14 EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM IN THE AMOUNT OF \$412,188; AUTHORIZE THE COUNTY ADMINISTRATOR TO SIGN THE NOTICE OF GRANT AWARD; APPROVE THE BUDGETS; AND AUTHORIZING THE COUNTY ADMINISTRATOR TO SIGN DELEGATE CONTRACTS

WASHTENAW COUNTY BOARD OF COMMISSIONERS

September 18, 2013

WHEREAS, in August 2013, the Michigan State Housing Development Authority (MSHDA) announced the allocation of \$412,188 in funding Emergency Solutions Grant (ESG) funding to support housing and homelessness activities and further collaboration among grant recipients; and

WHEREAS, the MSHDA Emergency Solutions Grant program offers financial assistance to public and non-profit organizations that are responding to the needs of homeless populations through a comprehensive communitywide planning process and implementation strategy known as a 10-Year Plan to End Homelessness; and

WHEREAS, the Emergency Solutions Grant program provides services and financial assistance to homeless or imminently homeless individuals; and

WHEREAS, funding recommendations were reached through a renewal funding process conducted by the Funding Review Team of the Washtenaw Housing Alliance and staffed by the Office of Community & Economic Development,

WHEREAS, the local Continuum of Care board, also known as the Washtenaw Housing Alliance approved the funding process and recommendations on August 15th, 2013; and

WHEREAS, The Salvation Army was selected to continue serving as the Housing Assessment and Resource Agency, locally known as the Housing Access for Washtenaw County (HAWC), and the Office of Community and Economic Development was selected as the Fiduciary; and

WHEREAS, the following agencies will receive MSHDA Emergency Solutions Grant (ESG) funds at the levels indicated:

| | |
|--|------------------|
| Interfaith Hospitality Network | \$35,000 |
| The Salvation Army | \$231,557 |
| Office of Community & Economic Development (Fiduciary) | \$8,235 |
| <i>TOTAL</i> | <i>\$274,792</i> |

WHEREAS, on behalf of the Washtenaw County Continuum of Care/Washtenaw Housing Alliance, the Office of Community Development (OCD) submitted the MSHDA ESG grant application on August 16th, 2013, to MSHDA; and

WHEREAS, this matter has been reviewed by Corporation Counsel, Finance, Human Resources, the County Administrator's Office and the Ways and Means Committee.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby ratifies the signature of the County Administrator on the application with Michigan State Housing Development Authority in the amount \$412,188 for the period October 1st, 2013, through September 30th, 2014, as on file with the County Clerk.

BE IT FURTHER RESOLVED that the Board of Commissioners takes the following actions contingent upon receipt of the grant award in conformity with the grant application:

1. Ratifying the Administrator to sign the Notice of the Grant Award
2. Amending the budget, as attached hereto and made a part hereof
3. Authorizing the Administrator to sign the delegate contracts in conformity with the application/award upon the review of Corporation Counsel, to be filed with the County Clerk.

**Office of Community & Economic Development
Emergency Solutions Grant (MSHDA)
Fund #: 1685
Business Unit: 1685132030
07/01/13 – 06/30/14**

| | | <u>Original</u> | <u>Revised</u> | <u>Variance</u> |
|-------------------------|----------------------------|-----------------|------------------|------------------|
| Revenues | | | | |
| 50000 | Federal Revenue | \$ - | \$274,792 | \$274,792 |
| <u>69000</u> | <u>In-Kind</u> | <u>\$ -</u> | <u>\$137,396</u> | <u>\$139,396</u> |
| Total Revenue | | \$ - | \$412,188 | \$412,188 |
| Expenditures | | | | |
| 70050 | Personal Services | | \$ 8,235 | \$ 8,235 |
| 72600 | Supplies | | \$ - | \$ - |
| 80000 | Other Services and Charges | | \$266,577 | \$266,577 |
| <u>93500</u> | <u>In-Kind Charges</u> | <u>\$ -</u> | <u>\$137,396</u> | <u>\$137,396</u> |
| Total Expenditure | | \$ - | \$412,188 | \$412,188 |