

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of Commissioners

FROM: Almée Campbell, Chief Accountant
Phillip Morley, County Administrator

DATE: July 5, 2011

RE: County Administrator Briefing Discussion – County Involvement in Two New Grants Offered by the Department of Commerce

STATEMENT OF ISSUE:

The Department of Commerce (DOC) has notified Jefferson County of two new grant opportunities that they would like us to take part in as the lead-grantee – 1) the Consolidated Homeless Grant (CHG), and 2) the Housing and Essential Needs Grant. We have asked for, and received, a two-week extension to make our decision – giving us until July 11, 2011 to opt in or opt out of both grants. It is the DOC's intention that the two grants work in tandem with each other. If we opt out of involving ourselves in the Consolidated Homeless Grant, DOC will not ask for our participation in the Housing and Essential Needs Grant; instead, they will go directly to the local community action program that ends up facilitating the CHG in our stead.

Jefferson County staff will brief the Board on July 5, 2011 in preparation of bringing an opt in/out recommendation before the Board on July 11, 2011 for the Board's formal consideration and action. A representative from OlyCap will be present at the July 5 meeting to answer any questions that may arise which involve them.

ANALYSIS:

CONSOLIDATED HOMELESS GRANT (CHG):

- Consolidates the HGAP*, THOR*, ESHP*, and HMIS* grants previously offered by the DOC as separate grants. Jefferson County was formerly involved in administering the HGAP as lead-grantee.
- Intended to get the County more involved in administering the implementation of its 10-year plan to end homelessness.
- To begin January 1, 2012. Application to be completed and approved prior to September 26, 2011.
- Will renew every two years.
- State money.

* HGAP = Homeless Grant Assistance Program
* THOR = Transitional Housing, Operating, & Rent

ESHP = Emergency Shelter & Homeless Prevention
HMIS = Homeless Management Information System

HOUSING & ESSENTIAL NEEDS GRANT:

- Serves a very specific population = Medical Care Service (MCS) Recipients of DSHS.
- DSHS is no longer providing these services to MCS recipients – someone locally has to, be it the County or a community action program.

- Provides assistance with rent, personal hygiene items, and bus passes only.
 - Applications to be completed and approved in July. Monies to be distributed to counties by September 1, 2011. Grant to be executed by November 1, 2011.
 - Will renew every two years.
 - State money.
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- Based on experience, the DOC believes that county involvement in these grants makes a difference in the outcomes. They believe that the 10-year plan becomes more of a reality, more progress is made, and citizens are better served.
 - If we opt in, the County would be the lead grantee and would have to establish a "recipient selection process" by which we choose a sub-grantee (i.e. OlyCap or other community action program).
 - The County would need to review its sub-recipient agreements with OlyCap which have, or are about to, expire. We would need to rewrite them using more specific language and better outlining of the requirements/duties of each party.
 - DOC is no longer auditing sub-recipients; that duty is now falling to the counties. That duty requires us to go through a risk assessment process whereby we identify program areas most susceptible to mistakes. We then formulate a specific plan for monitoring and auditing the sub-grantee/service provider. For example, if we establish that we're going to audit 10% of the program client files up to 15 files, then when auditing those files we are told by Commerce that we would need to do an intense audit looking at those areas identified in our risk assessment. This means reviewing every single document, policy, etc related to that pulled file. This could mean anywhere from a couple days to a couple week's worth, or more, of work every year. The Auditor's Office does not currently have the staff available to accomplish this.
 - DOC will audit the County to look at our auditing/monitoring of the community action program. They will review our findings and processes. They will look at our sub-recipient agreements, risk assessment process, recipient selection process, etc. Any findings they have will be against the County.
 - We understand Clallam County and the Peninsula Housing Authority are exploring with Commerce whether much of the grant administrative functions, including the risk assessment and monitoring/auditing responsibilities, can be delegated to a non-profit. If we learn this is a viable option, it may be an avenue for us to pursue as well.
 - The winter shelter is not affected by either of these grants.
 - If we opt out of these two grants, the DOC will convene a "community planning process" by which they will select an alternate lead-grantee (it is anticipated that OlyCap will be asked to assume this role).
 - If the County chooses not to participate in these grants now, the DOC will approach us again in two years, when the grants come up for renewal, to see if we wish to reconsider our involvement. There is some talk of this grant becoming federally funded at which time the County's involvement may be required. It is worth considering the ramifications of the County opting out at this time and then opting in down the road. If OlyCap assumes the role of lead-grantee now, what kind of disruption would it cause for the County to take over as lead-grantee in the future?
 - The County is currently involved in administering the CDBG – Public Services Grant, with the Auditor's Office's Chief Accountant taking the lead role. We are entering a new CDBG grant period of July 1 – December 31, 2011.

FISCAL IMPACT:

- The CHG grant amount is \$121,533 total available = \$95,695 base funding; \$25,838 incentive funding (available through County involvement only). The incentive funds are for two very specific populations – homeless people with severe and persistent disabilities (\$8,613), and people discharging from systems of care (\$17,225). In the event that Jefferson County opts out of this grant, there are other sources of funding available to serve these two demographics. These incentive funds are expected to remain a permanent part of this grant.
- The CHG grant has a 15% (\$18,230 or \$9,115/year) administrative fee built in + an additional 5% (\$6,077 or \$3,038/year) administrative fee specifically for "planning/evaluation/data collection". These monies must be shared with the sub-grantee and Philip feels that most of this would probably go to the selected service provider to cover their overhead to administer the program.

- The Housing and Essential Needs Grant specifics are not yet available from DOC; however, it is expected to be equivalent to 2-3 times the CHG grant amount.
- The housing grant has a 7% (\$17,500 based on a \$250k grant, or \$8,750/year) administrative fee built in. These monies must be shared with the sub-grantee and here again, Philip believes that most of this would probably go to the selected service provider to cover their overhead to administer the program.
- The County will incur administrative costs while performing the following required grant management functions: 1) completing the application process, 2) advertising and holding public hearings/board meetings, 3) drafting new sub-grantee contracts and policies, 4) processing and reviewing payments, 5) performing the closeout process, 6) completing periodic reporting, and 7) annually performing an intensive audit with follow-up resolution of findings and reporting. These costs are expected to be higher in the first year because of the extra initial work that must be done because these are new grants.
- In the past, the Auditor's Office has managed two grants, the CDBG Public Services Grant and the HGAP Grant which is now being consolidated in the CHG. The majority of the responsibilities listed above, as they've related to these two prior grants, have fallen upon the Chief Accountant in the Auditor's Office, though the performance requirements were not as stringent as they have now been revised to be under these new grants. Given the significant, additional workload created by these two new grants and the more complicated, mandatory performance requirements now in place, the Auditor does not feel that there is staff available in her office to continue to meet these requirements and that should Jefferson County agree to take part in these grants, an alternative should be found.

RECOMMENDATION:

It is our recommendation that the Board of County Commissioners review this information, and the attached letters from the Department of Commerce, then discuss the options and any remaining questions with staff and other concerned parties during the County Administrator's Briefing on July 5, 2011.

This item will come back before the BoCC on July 11, 2011 for a formal opt-in/opt-out decision regarding Jefferson County's involvement as lead-grantee in the Consolidated Homeless Grant and the Housing & Essential Needs Grant.

REVIEWED BY:


Philip Morley, County Administrator


Date

From: Horn, Caryn (COM) [mailto:caryn.horn@commerce.wa.gov] **On Behalf Of** Conant, Annie (COM)
Sent: Thursday, May 26, 2011 4:11 PM
To: Karen Bednarski
Cc: Mondau, Nick (COM)
Subject: Local Government CHG Application

May 26, 2011

TO: Local Government Applicant

FROM: Annie Conant, HAU Managing Director

SUBJECT: Consolidated Homeless Grant Application

The Department of Commerce (Commerce) is pleased to release the first Consolidated Homeless Grant (CHG) Application to eligible grantees statewide. The CHG combines state homeless resources into a single grant opportunity and is designed to support an integrated system of housing assistance to prevent homelessness and quickly re-house households who are unsheltered.

Attached are several documents:

1. CHG Application (which includes your county's unique Housing Inventory)
2. CHG Administrative requirements
3. CHG Guidelines
4. County Allocation Chart
5. Draft CHG Grant Terms and Conditions
6. Distribution List and Contact for CHG Application
7. Webinar Technical Assistance Schedule

Commerce is requesting that local governments respond within 30 days of this email notice/memo and inform Commerce if they will submit a CHG application or opt of this grant opportunity. If a local government opts out, Commerce will request that the current Emergency Shelter Homeless Prevention (ESHP) and Transitional Housing Operating Rent (THOR) Lead Agencies in that county's service area work together and conduct a community planning process to select a single Lead Grantee Applicant for CHG funds. Guidelines for conducting the planning process are included in the Administrative Requirements.

Final budget information for the 2011 – 2013 biennium is imminent. Please note that after the Legislature passes a budget Commerce will still need to go through an allotment (or budgeting) process. Therefore, the funding estimates in the Application packet may change. We will notify you and other community groups of any changes to the estimated amounts as soon as our internal processes are completed.

Commerce has scheduled several webinars in the next few weeks to provide technical assistance on completing the Application. In addition to the webinars, each county is assigned a Commerce Program Manager as a point of contact for questions throughout the process. Please see the attached materials for more specific information.

The Application is due no later than September 26, 2011, preferably as soon as possible.

<<Jefferson Co. App 5-26-11.xlsx>> <<Administrative Requirements - Final 5.26.11.docx>> <<Guidelines - Final 5.26.11.doc>> <<County Allocation Chart 5.26.11.xlsx>> <<Draft Grant Terms and Conditions 5.26.11.docx>> <<Distribution List and Contact for CHG Application 5.26.11.xlsx>> <<Webinar Technical Assistance Schedule.docx>>

Estimated Consolidated Homeless Grant Application Amounts
County Allocation Chart 5.26.11

County	CHG Base Formula Funding	Maximum incentive for budgeting funds for homeless people with severe and persistent disabilities	Maximum incentive for serving people discharging from systems of care	TOTAL maximum grant amount
Adams	55,870	5,028	10,057	70,955
Asotin	81,246	7,312	14,624	103,182
Benton-Franklin	596,083	53,647	107,294	757,024
Chelan-Douglas	387,737	34,896	69,793	492,426
Clallam	211,109	19,000	38,000	268,109
Clark	875,999	78,840	157,680	1,112,519
Columbia	27,645	2,488	4,976	35,109
Cowlitz	304,111	27,370	54,740	386,221
Ferry	71,797	6,462	12,924	91,183
Garfield	30,286	2,726	5,452	38,464
Grant	258,146	23,233	46,466	327,845
Grays Harbor	292,855	26,357	52,714	371,926
Island	166,081	14,947	29,894	210,922
Jefferson	95,695	8,613	17,225	121,533
King	5,252,153	472,694	945,388	6,670,235
Kitsap	499,530	44,958	89,915	634,403
Kittitas	165,620	14,906	29,812	210,338
Klickitat	97,335	8,760	17,520	123,615
Skamania	52,310	4,708	9,416	66,434
Lewis	254,815	22,933	45,867	323,615
Lincoln	82,784	7,451	14,901	105,136
Mason	137,889	12,410	24,820	175,119
Okanogan	235,663	21,210	42,419	299,292
Pacific	56,935	5,124	10,248	72,307
Pend Oreille	112,526	10,127	20,255	142,908
Pierce	2,069,131	186,222	372,444	2,627,797
San Juan	31,289	2,816	5,632	39,737
Skagit	339,698	30,573	61,146	431,417
Snohomish	1,383,760	124,538	249,077	1,757,375
Spokane	1,613,425	145,208	290,417	2,049,050
Stevens	137,040	12,334	24,667	174,041
Thurston	490,028	44,102	88,205	622,335
Wahkiakum	75,351	6,782	13,563	95,696
Walla Walla	252,930	22,764	45,527	321,221
Whatcom	493,477	44,413	88,826	626,716
Whitman	173,647	15,628	31,256	220,531
Yakima	866,004	77,940	155,880	1,099,824

From: Horn, Caryn (COM) [mailto:caryn.horn@commerce.wa.gov]
Sent: Monday, June 20, 2011 1:22 PM
To: RobinC@gov.wa.co.benton-franklin.us; Karen Bednarski
Subject: Housing and Essential Services

From: Rahikainen, Cherish (COM) On Behalf Of McConnon, Dan (COM)
Sent: Monday, June 20, 2011 12:58 PM



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE

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June 20, 2011

TO: Consolidated Homeless Grant (CHG) Applicants and Interested Parties
FROM: Dan McConnon, Assistant Director
SUBJECT: End of Disability Lifeline Program, transition to Housing and Essential Needs Grant

I want to provide you a brief status report on our development of the Housing and Essential Needs Grant program at Commerce since you are critical part of our state's homeless provider network.

The Disability Lifeline Program administered by the Department of Social and Health Services (DSHS) is scheduled to end this fall. This year the Legislature created three new programs to replace Disability Lifeline through Engrossed Senate House Bill 2082. Commerce will be administering one element, the Housing and Essential Needs Grant, which will provide non-cash housing and other assistance for some Medical Care Services recipients.

What we know:

- Commerce is required to have funds dispersed to local governments or other community based organizations by September 1, 2011.
- DSHS reports there were 19,337 Disability Lifeline unemployable recipients in April 2011. Of those, 7,335 were either homeless or homeless with housing (sometimes referred to as doubled up with another household or couch surfers). The balance is likely at substantial risk of becoming homeless.
- Generally, persons who receive Medical Care Services (subject to some exception) may receive Housing and Essential Needs assistance. It should be noted that recipients are not entitled to assistance.
- The budget for this new grant is \$64 million over two years. Housing and Essential Needs Grantees can receive up to seven percent for administration. \$4 million is set aside for essential needs (for example, personal hygiene items and bus tokens) and the remaining will be split between rent assistance for homeless clients and those at substantial risk of becoming homeless.

Our next steps:

1. Commerce is working with the Caseload Forecast Council to determine county allocations of these new funds.
2. DSHS is hosting community stakeholder meetings about the termination of the Disability Lifeline program and changes to WorkFirst next month. Commerce will attend to answer questions about the Housing and Essential Needs grant. We will send information about meetings dates and locations as they become available.
3. Commerce will send a brief Housing and Essential Needs Grant application to the current CHG applicants in July as part of our current efforts to consolidate resources and funding more centrally in a given county.

We are also working closely with DSHS to ensure the most efficient referral process:

1. Housing and Essential Needs Grantees will have access to DSHS's web based Benefits Verification System (BVS) to ensure a client's eligibility for possible rent and essential needs assistance.
2. DSHS will develop marketing materials for their website and Community Service Offices (CSOs) identifying where an eligible client can go to possibly receive assistance from a Housing and Essential Needs Grantee.

Commerce is developing more information and will provide details in the coming weeks on our website at WWW.Commerce.WA.GOV/HEN. In the meantime, thank you for your patience and for supporting people experiencing homelessness or who are at risk of homelessness in your community. I am looking forward to working with you to improve access to housing in Washington.