

REPORT

DATE: June 16, 2022
TO: Governing Board Delegates and Alternates
FROM: Marisa Creter, Executive Director

RE: STATE BUDGET EARMARK

RECOMMENDED ACTION

Authorize the Executive Director to execute an agreement with the San Gabriel Valley Regional Housing Trust (SGVRHT) to allocate any unexpended funds from the State Budget Earmark to the SGVRHT.

BACKGROUND

On June 27, 2019, Governor Newsom signed the 2019 Budget Trailer bill which contained \$5,625,000 in funding for homeless programs for the San Gabriel Valley to be administered by the SGVCOG. On September 10, 2019, the County Board of Supervisors (BOS) approved a motion by Supervisors Barger and Solis directing the carryover of \$6,000,000 in Measure H “Innovation Funds” for the County’s Councils of Governments. The SGVCOG received an allotment of \$1,541,876, proportionate to the region’s share of the County’s point-in-time homeless count.

All Innovation Funding had to be expended by December 31, 2021, as it was. All State Funding must be expended by June 30, 2022. No funding can be expended after that date, so remaining funds would be lost to the region. Given that the State funding deadline cannot be extended, over the last year, SGVCOG staff has been closely monitoring expenditures in all these contracts and MOAs to ensure that funding will be expended by the deadline. For a variety of circumstances, including the availability of funds from other programs and workload resulting from COVID-19 and other competing priorities, there had been significant funds remaining in some program categories. Staff wanted to ensure that, if funds could not be expended on the specific programs to which they had previously been allocated, the funds could still be expended. To that end, at its January 2022 meeting, the Governing Board authorized the Executive Director to re-allocate funding between approved Homeless Program categories to ensure that all funds are expended by June 30, 2022, and directed staff to provide monthly updates to the Homelessness Committee on the progress of expenditures. Staff has continued to provide these updates.

Since January, spend-down progress has remained slow. As such, staff from the SGVCOG and the San Gabriel Valley Regional Housing Trust (SGVRHT) identified a unique opportunity to “swap” funds between the SGVCOG’s previously-awarded budget earmark (SGVCOG Earmark) and a budget earmark awarded to the SGVRHT for FY 2021-22 and FY 2022-23 (SGVRHT Earmark), which must be expended by June 30, 2023. To that end, at its April 2022 meeting, the Governing Board authorized the Executive Director to execute an agreement with the SGVRHT to complete a funding swap of up to \$550,000 of unexpended SGVCOG Earmark funds for SGVRHT funds to allow the SGVCOG to expend these funds on the upcoming regional programs.

REPORT

SGVCOG staff anticipates that the amount of unexpended funds will not exceed \$550,000. However, if there are any additional unexpended funds beyond the \$550,000, staff is recommending that these funds be allocated to the SGVRHT for immediate expenditure, by June 30, 2022, to prevent remaining funds from being lost to the region. This would ensure that all remaining funds would be expended by June 30, 2022. This reallocation of funds will allow funds to directly support the SGVRHT and its projects, including but not limited to the development and operation of the interim tiny home villages.

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