



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Community Services
Department No.: 057
For Agenda Of: April 20, 2021
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department George Chapjian, Community Services Director (805) 568-2467
Director
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523
Laurie Baker, Grants Program Manager (805) 568-3521
SUBJECT: Delegation of Authority to Execute California Department of Housing and Community Development Non-Binding Memorandum of Understanding to Administer County's State Allocation of Emergency Rental Assistance funds, and Approval and Execution of First Amendment to Subrecipient Agreement with United Way of Santa Barbara County to administer County's direct allocation of Emergency Rental Assistance funds

County Counsel Concurrence

As to form: Yes

Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors (Board):

- A. Delegate authority to the Director of the Community Services Department, or designee, to execute, on behalf of the County, an original and duplicate original "Non-Binding Memorandum of Understanding" ("Non-Binding MOU") with the California Department of Housing and Community Development as follows:
 1. The Non-Binding MOU provides for coordination between the parties for the administration and implementation of their respective emergency rent and utility assistance payment programs for qualifying Santa Barbara County residents, which are funded by the Federal Consolidated Appropriations Act;
 2. The Non-Binding MOU is in a form substantially similar to the attached template (Attachment A);
 3. The Non-Binding MOU is subject to County Counsel concurrence; and

- B. Approve and authorize the Chair to execute a “First Amendment to Subrecipient Agreement” with United Way of Santa Barbara County for administration of an emergency rent assistance payment program (Attachment B); and
- C. Determine that the recommended actions are not the acceptance and approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the project is a creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

Staff is recommending that the Board of Supervisors delegate authority to the Community Services Department Director to execute a Non-Binding Memorandum of Understanding (“Non-Binding MOU”), which has been required by the State to coordinate the administration of the County’s and State’s respective emergency rental assistance programs (ERAP). As directed by the Board of Supervisors on February 9, 2021, County selected “Option C” in connection with the California COVID-19 Tenant Relief Act (SB 91). Option C involves (a) the County administering an emergency rental assistance program with a direct allocation of funds from the U.S. Department of Treasury and (b) the State administering its own emergency rental assistance program with a separate, State allocation of funding from the U.S. Department of Treasury. Through its agreement with United Way of Santa Barbara County, the County is currently administering the County’s direct allocation of \$13,275,190. The State will administer approximately \$14,287,321 in emergency rental assistance funding reserved for qualifying residents of Santa Barbara County.

Staff anticipates that the Non-Binding MOU will provide that the State will accept applications from Santa Barbara County residents once the County’s direct U.S. Treasury allocation is exhausted, that United Way of Santa Barbara County will continue to administer the County’s federal allocation by providing rent and utility assistance to qualifying households, and provide for the sharing of awarded applicant information for duplication of benefits check purposes between the County and State HCD. If the State proposes additional, substantive changes to the template included as Attachment A that require further revisions to the County’s agreement with United Way, staff will return to the Board for further direction.

Staff is also recommending that the Board approve a First Amendment to Subrecipient Agreement with United Way (Attachment B). The Amendment makes certain changes to United Way’s existing program to remove the \$2,000 per month rental assistance cap, clarify that payments for rental arrears can be made for more than 3-months in a given application cycle, make certain budget modifications for increased staff costs by United Way’s sub-contractor Family Services Agency, to extend the Term of the Subrecipient Agreement from December 30, 2021 to September 30, 2022 in light of March 26, 2021 guidance issued by the U.S. Treasury, reduce the budget by \$98,686 to reflect the actual amount made available by U.S. Department of Treasury to the County and not the estimated allocation at the time that the Agreement was approved, and to make other reporting requirement changes based on updated guidance from the U.S. Department of Treasury on February 22, 2021.

Background:

The Consolidated Appropriations Act of 2021

The President signed the Consolidated Appropriations Act of 2021 on December 27, 2020, which included \$25 billion in emergency rental assistance. Tribal communities, U.S. territories, states (including the District of Columbia), and local governments with populations over 200,000 are eligible to receive funding. The County was allocated \$13,275,190. Grantees can use up to 10% of their allocation for administrative expenses, case management or other services. The remaining 90% must be used for rent, rental arrears, utilities, utility arrears, and other housing expenses resulting from the pandemic for qualifying households. Qualifying households are renters with incomes up to 80% AMI where 1) one or more individuals in the household has qualified for unemployment benefits or attests that they have experienced a reduction in income, incurred significant costs, or experienced financial hardship due to the coronavirus pandemic; and 2) one or more individuals in the household can demonstrate a risk of experiencing homelessness or housing instability.

On January 28, 2021 the State approved the COVID-19 Tenant Relief Act (SB 91), to administer the remaining \$1.5 billion in federal U.S. Treasury awarded to the State. On February 9, 2021 the Board directed staff to submit a Letter of Intent to the State, indicating that the County intended to select 'Option C' whereby the County will not conform its federal allocation of ERAP funds to the State Program Rules, will self-administer the County's allocation of federal ERAP funds, and the State will also serve County residents population, and the County accepts responsibility for duplication of benefits monitoring between the two programs. On February 9, 2021 the Board of Supervisors also approved a Subrecipient Agreement with United Way to administer the County's direct allocation of 2021 Appropriations Act ERAP funding from the U.S. Treasury. On March 26, 2021 the U.S. Department of Treasury issued guidance regarding the requirements of the Emergency Rental Assistance (ERA) program established by Section 501 of Division N of the Consolidated Appropriations Act of 2021, which extended the expiration of funding availability from December 30, 2021 to September 30, 2022.

State ERAP MOU

Staff is recommending the Board delegate authority to the Community Services Department Director to execute a Non-Binding Memorandum of Understanding (Attachment A) as discussed above. The MOU will address coordination between the County and the State in the administration of their respective emergency rental assistance programs and the avoidance of duplication of benefits. While several methodologies were discussed, including geographic location, type of rental lease (formal or implied), or payment of all utility arrearages by the State as possible demarcations that did not unintentionally discriminate among County renter households, the State ultimately indicated that running the State and County's emergency rental assistance programs simultaneously was not feasible. Staff is currently negotiating a Memorandum of Understanding with the State to provide that the State will accept and process applications after United Way has exhausted the County's direct allocation of U.S. Treasury funding. The State's rental assistance program requires landlords to forgive 20% of rent debt prior to the State's payment of 80% of rent arrears. The Memorandum of Understanding also needs to provide for the sharing of awarded applicant information for duplication of benefits check purposes between the County and State HCD.

United Way Emergency Rent Assistance Program

On February 16, 2021 the County's Emergency Rental Assistance Program application went 'live' on the United Way of Santa Barbara County's website. The County's ERAP using U.S. Treasury funds has received a significant outpouring of interest. The below tables summarize United Way's ERAP program as of April 5, 2021.

Application processing

Applications Initiated	5,043
Complete applications submitted	2,417
Applications under review	896
Applications awarded	324

Rental Assistance Awards through 4/5/2021

Number of households served	324
Total amount of awards	\$2,352,677.61
Average rent award	\$5,911.52
Median household annual income	\$28,800
Median household size	3

Supervisorial District Rent Breakdown through 4/5/2021

1 st District	118 households
2 nd District	88 households
3 rd District	32 households
4 th District	48 households
5 th District	38 households
TOTAL	324 households

Utilities Awards through 4/5/2021: \$142,434

Total expended (Utilities + Rent Awards): \$2,495,112

Remaining United Way Direct Assistance balance: \$9,452,560

Percent of ERAP Direct Assistance expended: 21%

Performance Measure:

For the term of the Non-Binding MOU, either 12-months from execution or through September 30, 2022, the County shall provide State HCD with awarded applicant information upon reasonable request.

Fiscal and Facilities Impacts:

County general funds have been budgeted and are used for a portion of HCD's overall administrative expenses; however, no County funds are being used to fund the Program.

Fiscal Analysis:

N/A

Key Contract Risks:

It is possible both the U.S. Department of Treasury and the State could require the County to repay federal funds expended for ineligible expenses with non-federal or non-state funds. However, depending on additional State program clarification, County staff is working with State program staff to ensure that beneficiaries that apply to the State's program are not also assisted under the County's program. The mechanics of how the State will work with counties to avoid duplication of benefits under Option C is the subject of ongoing discussions with the State.

Staffing Impacts:

No new staffing impacts.

Special Instructions:

1. Please have the Board Chair sign TWO (2) originals of the 1st Amendment (Attachment B).
2. Please return one set of the executed original documents and a copy of the Minute Order to Ted Teyber. Please email or call when ready for pick up: eteyber@co.santa-barbara.ca.us Ext. 3513.
3. Please retain one set of the executed original documents listed below for COB records.

Attachments:

A: Non-Binding MOU Template

B: United Way Subrecipient Agreement 1st Amendment

Attachment A

Non-Binding Memorandum of Understanding

Attachment B

UW Subrecipient Agreement 1st Amendment

April 20, 2021
State ERAP MOU