



**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.: 055
For Agenda Of: June 4, 2019
Placement: Departmental
Estimated Time: 30 minutes
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: Approval of FY 2019-20 Action Plan and draft FY 2018-19 Action Plan
Substantial Amendment and make final Human Services Commission funding
approvals.**

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. Receive and file a staff report on the Santa Barbara County HOME Investment Partnerships (HOME) Consortium and Santa Barbara Community Development Block Grant (CDBG) Urban County Partnership draft fiscal year (FY) 2019-20 Action Plan (Action Plan), which includes recommendations for the award of CDBG funds;
- B. Receive and file a staff report on the Santa Barbara County HOME Consortium and Santa Barbara CDBG Urban County Partnership draft FY 2018-19 Action Plan Substantial Amendment (Substantial Amendment);
- C. Consider public comments received on the draft Substantial Amendment and draft Action Plan during the thirty (30) day public comment period, which commenced on May 3, 2019 and concludes at the end of today's public hearing on this item;
- D. Approve the recommendations for funding contained in the draft Action Plan (Attachment A) and Substantial Amendment (Attachment B);

- E. Direct staff to finalize the draft Action Plan and Substantial Amendment by revising to reflect any direction provided by the Board and adding any public comments and submit them to the U.S. Department of Housing and Urban Development (HUD);
- F. Adopt a Resolution authorizing submittal of the Action Plan and Substantial Amendment to HUD (Attachment C);
- G. Authorize the County Executive Officer or her designee to execute all certifications, standard forms and other related documents required for the acceptance and administration of CDBG and HOME funds and authorize the County Executive Officer or her designee to execute all certifications, standard forms, and other related documents required for the submittal to and approval by HUD of the Action Plan;
- H. Approve the recommendations from the County of Santa Barbara Human Services Commission (HSC) for awards of HSC grants to grantees for the use of a total of \$990,000 per year of County General Funds for FY 2019-2020, 2020-2021 and 2021-2022 for the delivery of Human Services Basic Services and Best Practices Grant Programs (Attachment E); and
- I. 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:

HUD FY 2019-20 Action Plan

The County receives an annual allocation of federal funds from the U.S. Department of Housing and Urban Development (HUD) to award to programs and projects that benefit low-income persons in the County. The County is required to submit an Action Plan to HUD at the start of each fiscal year to show how funds will be awarded. The FY 2019-20 Action Plan is due to HUD no later than June 14, 2019. In addition, the County is required to submit to HUD an Action Plan Substantial Amendment when funds are used for a project or program not previously included in an Action Plan or Action Plan Substantial Amendment.

A draft of the FY 2019-20 Action Plan and FY 2018-19 Action Plan Substantial Amendment, containing the recommended programs and projects, was provided to the public for review during a 30 day public comment period, which began on May 3, 2019 and concludes on June 4, 2019 after the hearing on this item. The Board is required to consider public comments when making funding awards. Staff will revise the draft Action Plan and Substantial Amendment in accordance with the Board's direction, and add any public comments received, and submit to HUD.

Staff recommends the approval of the FY 2019-20 Action Plan (Attachment A) and FY 2018-19 Action Plan Substantial Amendment (Attachment B) and adoption of the Resolution (Attachment C) authorizing submittal of the Action Plan and Substantial Amendment to HUD.

The allocations for FY 2019-20 are as shown below:

Community Development Block Grant (CDBG):	\$1,206,226
HOME Investment Partnerships Program (HOME):	\$1,166,260

CDBG: Up to 20% of the CDBG allocation may be used by the County to cover the costs to administer the CDBG and other federal programs and up to 15% may be allocated to public services programs.¹ A Notice of Funding Availability (NOFA) was issued by the Community Services Department Housing and Community Development Division (CSD/HCD) in October 2018. Applications for funding were due in January 2019. HCD staff vetted the applications and convened the County’s Human Services Commission Allocations Committee and the Capital Loan Committee (CLC) that made funding recommendations for consideration by the County Board of Supervisors (Board).

- 16 applications totaling \$461,555 were received for the \$180,933 available in CDBG for public services programs. Ten (10) programs are recommended for funding.
- 8 applications totaling \$1,732,166 were received for the \$911,752 in available CDBG for capital and other projects. Of those, five (5) capital projects totaling \$751,302 and one program for \$75,000 to provide assistance to micro-enterprise businesses are recommended for funding.

HOME: Up to 10% of the allocation may be used by the County to cover the costs to administer the HOME program. The availability of HOME funds was included in the NOFA; however, applications for affordable housing development, using HOME and/or In-Lieu funds, are accepted on a year-round basis due to fluctuations in the housing market, availability of real property, and timing of other revenue sources. HCD staff will return to the Board as needed for funding approvals for housing development projects and approval of Action Plan amendments.

HSC Grants

The Board of Supervisors funds Human Services Commission (HSC) grants annually with County General Funds; however HSC funding recommendations are made every three (3) years. The amount of HSC grant funds budgeted for fiscal years 2019-2020, 2020-2021 and 2021-2022 is \$990,000 per year. While grants are budgeted on a three-year cycle, the grant agreements contain a clause that ongoing funding is subject to annual appropriation by the Board of Supervisors. HSC grants are not included in the County’s Action Plan.

Background:

The CSD/HCD, is the lead entity for the CDBG Urban County partnership and HOME Consortium. The CDBG Urban County is comprised of the County and the cities of Buellton, Carpinteria, and Solvang. The HOME Consortium is comprised of the CDBG Urban County jurisdictions plus the cities of Goleta, Lompoc, and Santa Maria. The City of Lompoc rejoined the HOME Consortium, beginning with FY 2019. The City of Guadalupe is a State CDBG grant recipient.

Table 1 shows the allocated CDBG funds for FY 2019-20 and the distributions to partner cities. Funds are awarded only to projects that have sufficient funding from all sources to proceed. Any remaining CDBG funds will be added to the NOFA for the next funding cycle.

¹ In addition to the FY 2019-20 allocation, at the time the NOFA was issued, the County had a balance of \$127,705 in prior year CDBG funds that could be used for projects other than public services programs.

Table 1: Distributions to CDBG Urban County Partner Cities

Jurisdiction	Distribution	20% Admin*	15% Public Services	Capital Projects	Prior Un-committed Funds	Total CDBG Funds
County		\$241,245			\$127,705	\$368,950
County	85.22%		\$154,191	\$668,166		\$822,357
Buellton	3.08%		\$5,573	\$24,149		\$29,722
Carpinteria	8.30%		\$15,017	\$65,076		\$80,093
Solvang	3.40%		\$6,152	\$26,658		\$32,809
Total	100%	\$241,245	\$180,933	\$784,048	\$127,705	\$1,333,931

*Administration is calculated as 20% of the FY 2019-20 allocation of \$1,206,226

The CDBG Urban County partner cities may identify qualifying projects in their respective communities to fund with their distributions of CDBG, or pool their funds with the County’s distribution. The City of Carpinteria identified programs for its pro-rata share of CDBG for public services only. No other CDBG projects or programs were recommended for funding by the cities for their distributions of CDBG. Therefore, the cities’ CDBG funds were added to the County’s pool of funds to be awarded to programs and projects through the County’s application and approval process.

In addition, there is a balance of uncommitted CDBG funds from prior years that total \$127,705 from FY 2018-19. The funds are from loan repayments from a prior homeowner rehabilitation loan program and from projects that either did not go forward or came in under-budget. Staff recommends that these funds be reprogrammed to the recommended FY 2019-20 capital projects.

HOME Investment Partnerships (HOME) Program

The HOME program provides funding primarily for affordable housing development but may also be used for Tenant-Based Rental Assistance (TBRA), homebuyer assistance, and other programs. Up to ten percent (10%) of HOME funds may be used to cover the costs to administer the program.

Table 2: Distributions to HOME Consortium Member Cities and required Community Housing Development Organization (CHDO) set-aside

Jurisdiction	Distribution	Admin 10%	FY 19/20 Pro Rata Share for Projects	FY 19/20 Total Funds Available
County		\$116,626		\$116,626
County	39.24%		\$343,249	\$343,249
Buellton	1.42%		\$12,384	\$12,384
Carpinteria	3.91%		\$34,192	\$34,192
Goleta	8.72%		\$76,311	\$76,311
Santa Maria	31.95%		\$279,493	\$279,493
Solvang	1.63%		\$14,265	\$14,265
Lompoc	13.12%		\$114,801	\$114,801
CHDO	15%		\$174,939	\$174,939
Total	100.00%	\$116,626	\$1,049,634	\$1,166,260

The City of Lompoc will use its distribution of HOME funds, in the amount of \$114,801, for a TBRA program. The planned use is included in the FY 2019-2020 Action Plan and staff will return to the Board at a later date for execution of a subrecipient agreement.

The City of Santa Maria will use its distribution of HOME funds to 1) administer a TBRA program (\$130,732) and 2) contribute toward the development costs of Pine Street Bungalows² (\$148,761) by Good Samaritan Shelter.

The County also will use a portion of its HOME funds (\$142,376) for Pine Street Bungalows (see footnote 2).

The balance of FY 2019-20 and uncommitted prior year funds will be used for future affordable housing programs and developments. Applications for housing development are accepted on a year-round basis and staff will return to the Board for funding approvals on a project basis.

Action Plan Overview

The FY 2019-20 Action Plan is the final³ annual update to the 2015-2020 Consolidated Plan, a five-year strategic planning document required by HUD that reflects the goals, priorities, objectives, and performance measures of the HOME Consortium and CDBG Urban County Partnership. The annual

² Staff will return to the Board at a later date for approval of the project utilizing both Santa Maria and County HOME funds, and execution of County loan documents. Including the project in the FY 2019-2020 Action Plan will save staff and Board time by avoiding a future Action Plan amendment, which requires a public hearing. If the Board does not later approve the project and loan documents, the project will not go forward and the County can re-allocate the funding to another project.

³ HCD will be completing a new Consolidated Plan for the next five-year cycle that begins July 1, 2020 and ends June 30, 2025

Action Plan outlines the County’s operating plan for the 2019-20 fiscal year and includes how federal funds will be allocated to programs and projects. The Action Plan is due to HUD by June 14, 2019.

Public Comment Period: The draft FY 2019-20 Action Plan and Substantial Amendment were available for review by the public during a 30-day public comment period, which commenced on May 3 and concludes on June 4 at the end of the hearing for this item. The draft Action Plan and Substantial Amendment will be revised to include any public comments received during the public comment period and to include any Board direction regarding funding. Staff will then submit the final Action Plan to HUD by the deadline of June 14, 2019.

FY 2019-20 Funding Process

On behalf of the Santa Barbara County Urban County Partnership and the HOME Consortium, the County HCD issued a FY 2019-20 Notice of Funding Availability (NOFA) on October 12, 2018 to solicit applications for award of CDBG and to notify the public of HOME and In-Lieu funds available for housing programs. The application deadline for CDBG was January 11, 2019. HOME/In-Lieu applications are accepted on a year-round basis; however, submission of Letters of Intent to apply (LOI) were required if applicants had projects in a state of readiness to apply for housing development funds (HOME/In-Lieu/NPLH/HEAP) in FY 2019-2020.

HCD staff held public workshops in North County and South County in November 2018 to provide training and technical assistance to potential applicants prior to the application deadline. Applications were received and vetted for eligibility by HCD staff, prior to being referred to the applicable County review committees for review and funding recommendations.

CDBG Applications - Public Services

The County received sixteen (16) applications requesting a total of \$461,555. Applications for CDBG public services funds were referred to the County’s Human Services Commission Allocations Committee (Allocations Committee), which members are appointed by the County Board of Supervisors. The role of the Allocations Committee is to review CDBG public services applications and make funding recommendations to the County Board of Supervisors.

The Allocations Committee held a public meeting on February 07, 2019 to hear applicant presentations. On February 8, 2019, the Allocations Committee convened and made funding recommendations based on an estimated allocation of CDBG and gave HCD staff instructions on award distribution amounts if the actual CDBG allocation was more or less than estimated. Table 3 shows the ten (10) programs approved for funding based on the actual allocation of CDBG for public services programs. A list of all applications is provided in Attachment E.

In addition, the City of Carpinteria allocated its distribution of \$15,017 in CDBG public service funds be awarded as follows: 50% to People’s Self-Help Housing Corporation for the Youth Education Enhancement program and 50% to the Boys & Girls Club of Carpinteria. This funding was approved by the Carpinteria City Council on March 11, 2019.

Table 3: CDBG Public Services Funding Recommendations

Applicant	Project Title	Service Area	Request Amount	Funding Rec.
Community Action Commission	Healthy Senior Lunch	County-wide	\$ 20,000	\$ 15,000
Good Samaritan Shelter	Bridgehouse Emergency Shelter	North	\$ 35,000	\$ 28,723
Youth and Family Services YMCA	My Home Transitional Living Program	South	\$ 18,000	\$ 15,000
Legal Aid Foundation of Santa Barbara County	Legal Services - Family Violence Prevention	North	\$ 20,000	\$ 15,000
Standing Together to End Sexual Assault	Sexual Assault Counseling in Isla Vista (SACE IV)	South	\$ 25,000	\$ 15,000
Santa Maria Valley FISH Meals On Wheels	Meals on Wheels - Santa Maria Valley	North	\$ 15,000	\$ 15,000
Santa Ynez Valley People Helping People	Basic Needs Services for Seniors Program	Mid	\$ 33,000	\$ 16,096
NBCC, dba New Beginnings	Safe Parking Shelter and Rapid Rehousing Program	South	\$ 50,000	\$ 16,096
WillBridge of Santa Babara, Inc.	WillBridge of Santa Barbara, Inc.	South	\$ 20,000	\$ 15,000
People Assisting the Homeless (PATH)	Community Navigator Case Manager	South	\$ 55,555	\$ 15,000
People’s Self Help Housing Corporation	Carpinteria After School Education Program	Carpinteria	\$15,000	\$7,509
United Boys & Girls Clubs of Santa Barbara County	Boys & Girls Clubs	Carpinteria	\$15,000	\$7,509
Total			\$461,555	\$180,933

CDBG Applications - Capital and Other Projects

The County received eight (8) capital project applications totaling \$1,657,166 and one \$75,000 application to provide assistance to micro-enterprise businesses. HCD staff evaluated the applications and convened the County’s Capital Loan Committee (CLC) at a February 14, 2019 public meeting. The CLC made funding recommendations for consideration by the Board.

The CLC consists of six voting and three non-voting members from professional sectors as directed by the County Board of Supervisors, which include: North and South County lending institutions, City Public Housing Authority, County Auditor Controller’s office, County Treasurer-Tax Collector office, and other related experts. HCD appoints members from each sector to the CLC.

Table 4: CDBG Capital and Other Project Recommendations

Applicant	Project Title	Geographic Location	Request Amount	Recommended Projects
COSB – General Services	Calle Real Street Lighting Project	South County	\$100,000	\$100,000
Domestic Violence Solutions	Shelter Bathroom Restoration	South County	\$35,000	\$35,000
Good Samaritan Shelter	Bridgehouse Renovation Phase II	North County	\$439,681	414,769
People Assisting the Homeless (PATH)	Santa Barbara Capital Improvements	South County	\$57,033	\$57,033
Santa Ynez Valley People Helping People	Food Pantry Remodel	North County	\$144,500	\$144,500
Women's Economic Ventures - Self-Employment Training	Self-Employment Training to micro-enterprise businesses	Countywide	\$75,000	\$75,000
Total				\$826,302

Public Comment Period: The draft FY 2019-20 Action Plan and 2018-19 Substantial Amendment was provided to the public for review during a 30 day public comment period, which commenced on May 3 and concludes on June 4 at the end of the hearing for this item. The Board is required to consider public comments when making funding awards. Staff will revise the draft Action Plan to include any public comments received during the public comment period and to include any Board direction regarding funding.

HOME Applications

Applications for housing development are accepted by CSD/HCD on a year-round basis to allow for fluctuations in the housing market, availability of real property, and timing of other revenue sources. HCD staff will return to the Board for funding approvals on a project basis. At such time that the Board approves funding from HOME funds, the project will be added to the Action Plan through an Action Plan amendment.

The NOFA instructed applicants with proposed housing development projects to submit Letters of Intent (LOI) to apply by the application deadline. This first step enabled County staff to prioritize proposed projects based on readiness to proceed given the limited available resources and strict state and federal timelines for expenditure and project completion. County staff reviewed HOME projects for basic threshold requirements. Proposed projects were placed in the following categories:

1. Projects that will have all financing committed for applicable project costs (acquisition, rehab and/or new construction) or will be ready to apply to the State for low-income housing tax credits

- (LIHTC) on or before June 30, 2019. These applicants were invited to submit a full housing application by January 11, 2019.
2. Projects that will have all financing committed or will be ready to apply for LIHTC after June 30 but before December 31, 2019. These applicants were later invited to submit a full housing application.
 3. Projects that didn't meet the criteria listed in numbers 1 or 2 above may apply in the next NOFA cycle. Exceptions will be made only for projects that plan to apply to the County and State for No Place Like Home funds (no other County-administered funds included) and will be considered in conjunction with the State's NOFA schedule.

Seventeen (17) LOIs were submitted in response to the NOFA requesting over \$40,310,890. Projects that met the criteria in No. 1 above were first reviewed and considered for placement on the agenda for the Capital Loan Committee (CLC). The first CLC meeting was held on February 14, 2019. The CLC recommended \$291,137 in HOME funds to Good Samaritan Shelter for Pine Street Bungalows. The CLC recommendations for HOME funds are shown below in Table 5 and included in the draft Action Plan.

Table 5: HOME Funding Recommendations

Applicant	Project Description	Request Amount	Service Area	HCD staff & Capital Loan Committee Recs
Good Samaritan Shelter	Pine Street Bungalows	\$292,000	North County (Santa Maria)	\$148,761 City of Santa Maria HOME funds + \$142,376 County HOME funds
Total		\$292,000		\$291,137⁴

HSC Grants

The Santa Barbara County Human Services Commission (HSC) members are appointed by the Board of Supervisors. The HSC Allocations Committee makes funding recommendations for public services programs under the CDBG and HSC programs.

In 2015, the Board approved a three-tiered HSC general fund grant program:

- 1) Best Practices – grants with best practices models;
- 2) Basic Services – grants for safety net programs; and
- 3) Mini Grants – grants for capacity building to improve outreach and internal management of service providers.

These grant programs are approved in three year funding cycles. The initial three year funding cycle concluded with FY 2017. There was a delay in Board action in re-authorizing funds for the HSC FY 2018 program; therefore, the program was not included in the NOFA for FY 2018. On February 13, 2018 the Board re-authorized the funding for the program, and directed staff to extend the existing grantees for one year and to issue a new three year NOFA for FY 2019, with the elimination of Mini Grants (aka Capacity Building grants) for two years. Therefore, his Board Letter includes the funding

⁴ This is the maximum amount permitted by the published HOME maximum subsidy limits.

recommendations for FY 2019 HSC Basic Services and Best Practices grants. Mini Grants are not included.

1-3 year Basic Services	\$15,000-\$50,000	Basic Services, Safety net programs
3 year Best Practices	\$50,000-\$100,000	Evidence-based Practices

Applications, Review Process and Criteria: The NOFA resulted in 48 applications submitted for \$990,000 in available funding. All HSC grant applications are listed in Exhibit E and summarized below.

Grant	Number of Applications	Requested Amount	Funds Available
Basic Services	32	\$1,150,000	\$535,000
Best Practices	16	\$1,443,548	\$455,000
Total	48	\$2,593,548	\$990,000

The HSC Allocations Committee held the following public meetings to make funding recommendations for consideration by the Board.

- February 7, 2019 – Applicant Presentations
- February 8, 2019 – Committee Deliberations and Funding Recommendations.
- March 7, 2019 – Allocations Committee’s funding recommendations presented to full Commission for adoption

Basic Services Grant Recommendations

The HSC Allocations Committee made the following Basic Services Grant funding recommendations for consideration by the Board.

APPLICANT	PROJECT	RECOMMENDED
Catholic Charities of Los Angeles, Inc. Santa Barbara Region	Santa Barbara County, Community Services' Program	\$30,000
Child Abuse Listening Mediation (CALM)	Sexual Assault Response Team	\$20,000
Community Action Commission of Santa Barbara County	Healthy Senior Lunch	\$30,000
Domestic Violence Solutions for Santa Barbara County	Domestic Violence Human Services Basic Needs	\$30,000
Family Service Agency of Santa Barbara County	Senior Services	\$35,000
Foodbank of Santa Barbara County	Warehouse Operations	\$35,000
Friendship Adult Day Care Center Inc.	Adult Day Services Program	\$15,000
Good Samaritan Shelter	Bridgehouse	\$30,000
Isla Vista Youth Projects, Inc.	IVYP Cares	\$30,000
NBCC, dba New Beginnings	Supportive Services for Veteran Families Program	\$20,000
North County Rape Crisis and Child Protection Center	Rape Crisis Intervention/Prevention Services	\$30,000

Santa Barbara Meals on Wheels Inc.	Meal Cost Assistance	\$10,000
Santa Maria Valley FISH Meals On Wheels	Meals on Wheels - Santa Maria Valley	\$15,000
Santa Ynez Valley People Helping People	Basic Needs Support Program	\$35,000
Santa Ynez Valley Senior Citizens Foundation	Senior Food Program	\$30,000
Santa Ynez Valley Senior Citizens Foundation	Senior Medical Transportation	\$15,000
Sarah House Santa Barbara	Sarah House: Dying Well	\$15,000
Standing Together to End Sexual Assault	Standing Together to End Sexual Assault	\$30,000
Unitarian Society of Santa Barbara	Freedom Warming Centers	\$30,000
WillBridge of Santa Barbara, Inc.	WillBridge of Santa Barbara, Inc.	\$30,000
Youth & Family Services YMCA, branch of Channel Islands YMCA	Youth and Family Services Basic Services	\$20,000
	Total	\$535,000

All HSC Basic Services grant applications are listed in Exhibit E.

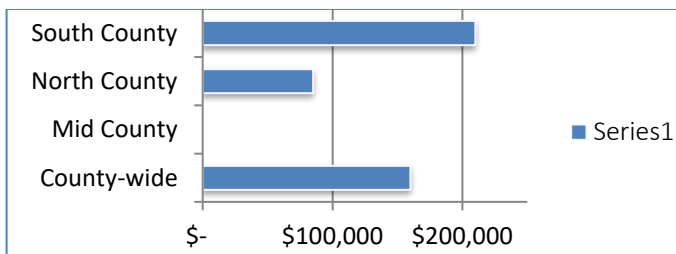
Best Practices Grant Recommendations

The HSC Allocations Committee made the following Best Practices Grant funding recommendations for consideration by the Board.

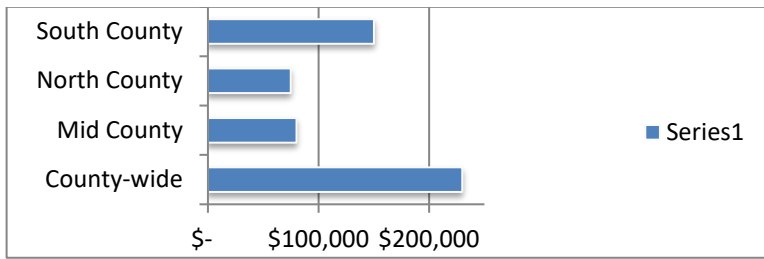
<u>APPLICANT</u>	<u>PROJECT</u>	<u>RECOMMENDED</u>
Good Samaritan Shelter	Best Practices	\$85,000
CALM	Great Beginnings	\$80,000
NBCC, dba New Beginnings	Safe Parking Shelter and Rapid Rehousing Program	\$80,000
People Assisting the Homeless (PATH)	Employment Services Program	\$80,000
St. Vincent's Institution	St. Vincent's Family Strengthening Program	\$50,000
Transition House	Family Emergency Shelter--Best Practices	\$80,000
	Total	\$455,000

All HSC Best Practices grant applications are listed in Exhibit E.

Geographic Distribution: All programs recommended for funding will help to sustain critical social services programs Countywide. The diagram below shows the geographic distribution of HSC Best Practices programs recommended for funding.



The diagram below shows the geographic distribution of HSC Basic Services programs recommended for funding.



Performance Measure:

HUD FY 2019-20 Action Plan

Subrecipients must provide documentation that supports eligible expenditures consistent with the contract budget and federal regulations. Funds are provided on a reimbursement basis.

HCD staff will monitor the performance of funding recipients. Public service program subrecipients are required to report to HCD on the number of persons served by income on a quarterly basis. Subrecipients must provide documentation that supports eligible expenditures consistent with the contract budget and funding regulations. For capital projects, HCD staff will monitor construction to assure adequate progress toward meeting the project timeline. Funds will be provided on a reimbursement basis and only after subrecipients have provided documentation that supports that the expenditures were eligible per the contract budget and in compliance with funding regulations. Facilities improved with CDBG funds will be monitored for a five-year period.

HSC Grants

The Human Services Commission's Contract Compliance Committee will be involved in the monitoring process. Performance targets will be included in grant recipients' contracts and monitored on a quarterly basis. The Contract Compliance Committee, with assistance from HSC staff, will review grantees' reports and conduct monitoring site visits as warranted.

Fiscal and Facilities Impacts:

Federal CDBG and HOME funds are awarded to the County as grants. HOME funds may be provided as grants or low-interest loans to subrecipients and developers. Ten percent (10%) of the HOME grant and twenty percent (20%) of the CDBG grant may be used to cover County costs to administer the federal programs. The costs of preparing the Action Plan documents are included within the Department's current budget.

HSC Grants are budgeted out of the County's General Fund.

Key Contract Risks:

Board approved projects will have contracts executed between the County and the subrecipients. For those projects to be implemented by other County departments, CSD/HCD administratively executes a

Memorandum of Understanding (MOU) with the Department to ensure internal compliance with HUD requirements.

For federally funded HOME and CDBG projects, the County could be subject to repaying federal funds, from non-federal source(s), if HUD finds that the County expended funds inconsistent with regulations or otherwise did not comply with federal requirements. The County monitors loans and grants made to subrecipients for compliance with federal regulations. Real property improved, in whole or in part with CDBG funds, must continue to meet a CDBG National Objective for a period of at least five years. Failure to meet the five-year period may result in County reimbursement of the CDBG funds expended plus a percentage of the increase in market value attributable to the investment of CDBG funds. HOME program rules also impose a long-term affordability period for multi-family and other types of housing projects and failure to meet the long-term affordability requirements may result in HUD requiring repayment by the County of the full amount of HOME funds invested. HCD monitors the financial condition and the use of real property for the duration of the required periods.

Staffing Impacts:

The federal programs are administered by existing HCD staff with the support of County Counsel, and other County departments including the CEO, Auditor-Controller, Risk, General Services, and Community Services/Parks.

Special Instructions:

1. Please return a copy of the signed Authorizing Resolution (Attachment C) and a copy of the Minute Order to Ted Teyber at teyber@co.santa-barbara.ca.us Ext. 3513.
2. Please retain the executed original Authorizing Resolution for COB records.

Attachments:

- A: Draft 2019-20 Annual Action Plan
- B: Draft 2018-19 Substantial Amendment
- C: Authorizing Resolution
- D: Chart of CDBG Public Service Applications
- E: Chart of HSC Applications

Authored by: Ted Teyber
cc: Laurie Baker

