




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: HCD  
Department No.: 055  
For Agenda Of: 8/18/09  
Placement: Administrative  
Estimated Tme: n/a  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** Department John McInnes, 568.3552   
Director(s)  
Contact Info: Carlos Jimenez, Division Manager, 568.3523

**SUBJECT:** Revisions to Projects Recommended for Inclusion in the Substantial Amendment to the County's Consolidated Plan 2008-2009 Annual Action Plan for the Community Development Block Grant

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**County Counsel Concurrence**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:** N/A

As to form:

**Recommended Actions:**

That the Board of Supervisors receive an update on revisions to projects recommended for inclusion in the Substantial Amendment to the County of Santa Barbara Consolidated Plan's 2008-2009 Annual Action Plan for the Community Development Block Grant-Recovery program (CDBG-R), under the American Recovery and Reinvestment Act of 2009 (ARRA).

**Summary Text:**

At its June 2, 2009 public meeting the Santa Barbara County Board of Supervisors identified specific projects for inclusion in the County's Substantial Amendment to the CDBG Urban County's Consolidated Plan's 2008-09 Annual Action Plan. The Substantial Amendment and associated projects reflected the County's planned distribution, implementation and expenditure of \$542,154 in federal CDBG-R funds awarded to the County under ARRA. The County Housing and Community Development Department (HCD) subsequently submitted the CDBG-R Substantial Amendment to the United States Department of Housing and Urban Development (HUD) Los Angeles field office on June 5, 2009, for review and approval. Upon preliminary review of the County's CDBG-R Substantial Amendment, HUD's Los Angeles field office directed that the CDBG-R Substantial Amendment be revised to reflect a new dollar allocation for projects. Further, HUD directed that the revision be submitted within three days of said notification in order to preserve the applicable funding.

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**Background:**

Under ARRA, the County of Santa Barbara was conditionally awarded \$542,154 in CDBG-R funding. Pursuant to the current CDBG Urban County Agreement, the County pro-rates a formulaic share of this funding to its partner jurisdictions. Upon initial consultation with participating jurisdictions, Lompoc and Carpinteria indicated a desire to utilize their CDBG-R allocations, while Buellton and Solvang opted out for lack of CDBG-R eligible projects. Accordingly, the CDBG-R funding at the time of application was projected to be distributed for projects as follows.

| County    | Lompoc    | Carpinteria |
|-----------|-----------|-------------|
| \$326,089 | \$121,985 | \$39,865    |

At the June 2, 2009 Board of Supervisors meeting, staff recommended that the rehabilitation of a County-owned shelter for battered women receive all of the County funding allocation since the project most closely approximated the "spirit and intent" of CDBG-R under ARRA. For their share of CDBG-R funding, the City of Lompoc proposed street improvements in CDBG-qualifying census tracts, while the City of Carpinteria, under sponsorship of Peoples' Self Help Housing Corporation, proposed rehabilitation work on the Chapel Court Apartments, an affordable housing apartment complex housing farmworkers and other low-income residents of Carpinteria. Ultimately, the Board of Supervisors determined that in the context of the full complement of projects that had been submitted for funding consideration, the County could provide greater community benefit by funding a number of worthy projects rather than singling out the Women's Shelter. Specifically, the following proportions of funding were re-allocated from the Women's Shelter budget accordingly: 1) \$40,000 to the Casmalia Services District for a water-well test that could provide a sustainable and affordable water source for the Casmalia Community, and 2) \$143,045 for rehabilitation work on County-owned foster youth homes. As the projects recommended by partner cities were at their respective discretion, no action was taken with respect to their proposals other than to approve their submittal. The table below reflects the projects and budget requests that were incorporated into the County's CDBG-R Substantial Amendment.

| Sponsor   | Project                                   | Budget    |
|---|---|-----------|
| SB County General Services Department                       | Rehabilitation of Women's Shelter         | \$143,044 |
| SB County General Services Department                       | Rehabilitation of Foster Youth Homes      | \$143,045 |
| Casmalia Community Services District                        | Alternative Water Source Identification   | \$40,000  |
| City of Lompoc  | Infrastructure Improvements               | \$121,985 |
| City of Carpinteria/ Peoples' Self Help Housing Corporation | Rehabilitation of Chapel Court Apartments | \$39,865  |

The HUD Los Angeles field office reviewed the County's CDBG-R Substantial Amendment and advised on July 16, 2009 that two projects (Alternative Water Source Identification and Rehabilitation of the Chapel Court Apartments in the City of Carpinteria) insufficiently addressed the "spirit and intent" of ARRA in terms of promoting job creation and energy efficiency. HUD directed that this funding be re-programmed into the Women's Shelter and Foster Youth Homes rehabilitation proposals and that a revised CDBG-R Substantial Amendment reflecting the re-programming be submitted by July

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20, 2009. Moreover, HUD directed that any costs associated with landscape improvements for either of these projects be removed, as this potentially represented "recreational" activities and improvements. In addition, HUD requested additional information regarding the City of Lompoc's Infrastructure Improvements including: census maps of the areas targeted for improvement, formal grant funding letters from other agencies also providing ARRA funds for the improvements and additional detail with respect to specific job-creation figures.

Based on HUD's direction, HCD conferred with the participating jurisdictions and affected parties concerning the requested revisions and it was determined that HUD's directives should be followed in order to protect against the potential loss of all CDBG-R funding in Santa Barbara County. Accordingly, HCD revised the Substantial Amendment and re-submitted it to the HUD field office on June 20, 2009. The final project table for the revised CDBG-R Substantial Amendment is reflected below.

| Sponsor                               | Project                              | Budget    |
|---------------------------------------|--------------------------------------|-----------|
| SB County General Services Department | Rehabilitation of Women's Shelter    | \$182,977 |
| SB County General Services Department | Rehabilitation of Foster Youth Homes | \$182,977 |
| City of Lompoc                        | Infrastructure Improvements          | \$121,985 |

Based on these revisions, HCD believes that HUD will approve the Substantial Amendment to the County of Santa Barbara Consolidated Plan's 2008-2009 Annual Action Plan for the CDBG-R. At this time, HUD has not provided an indication of when such approval will be granted; however HCD will remain in close contact with HUD so that all interested parties can be informed appropriately.

**Fiscal and Facilities Impacts:** Budgeted: No

| <u>Funding Sources</u> | <u>Current FY Cost:</u> | <u>Annualized On-going Cost:</u> | <u>Total One-Time Project Cost</u> |
|------------------------|-------------------------|----------------------------------|------------------------------------|
| General Fund           |                         |                                  |                                    |
| State                  |                         |                                  |                                    |
| Federal                | \$ 542,154.00           |                                  |                                    |
| Fees                   |                         |                                  |                                    |
| Other:                 |                         |                                  |                                    |
| Total                  | \$ 542,154.00           | \$ -                             | \$ -                               |

**Fiscal Analysis:** Narrative:

A budget revision in the amount of \$542,154 will be prepared for Board consideration once HUD has approved the Substantial Amendment and provided the County with a grant agreement for this program.

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**Staffing Impacts:**

**Legal Positions:**

0

**FTEs:**

0

**Attachments:** Revised Substantial Amendment to the County's Consolidated Plan 2008-2009 Annual Action Plan for the Community Development Block Grant

**Authored by:**

Carlos Jimenez, Division Manager

**CC:**