



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: Housing & Com Dev
Department No.: 055
For Agenda Of: 4/19/2011
Placement: Departmental
Estimated Tme: 30 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Sharon Friedrichsen, 568-2068
Director(s) Housing and Community Development Deputy Director
Contact Info: Brooke Welch, 568-3521
Senior Housing Programs Specialist
**SUBJECT: Santa Barbara County HOME Consortium and CDBG Urban County Partnership
Draft 2011 Action Plan**

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a. Receive a staff report on the Santa Barbara County HOME Consortium and CDBG Urban County Partnership draft 2011 Action Plan and the annual Notice of Funding Availability process, including recommendations for award of HOME Investment Partnerships Act (HOME), Community Development Block Grant (CDBG), and Emergency Shelter Grants (ESG) funding.
- b. Direct staff to finalize the 2011 Action Plan, including the final funding awards under the HOME, CDBG and ESG programs, and return to the Board on May 10 for consideration of approval for final submission to the United States Department of Housing and Urban Development (HUD).

Summary Text:

The 2011 Action Plan serves as the Santa Barbara County HOME Consortium and CDBG Urban County Partnership operating plan for receipt and expenditure of federal entitlement funding provided to the County by HUD under three programs:

- HOME Investment Partnerships Act (affordable housing funds)
- Community Development Block Grant (community projects and services funds)
- Emergency Shelter Grants (homeless shelter and services funds)

The 2011 Action Plan represents the County's formal federal grant application to HUD for the 2011 program year. As the lead agency in the HOME Consortium and CDBG Urban County, the County is

responsible for preparation and submission of the Action Plan annually on behalf of these partnerships. Once the Action Plan is reviewed and approved by HUD, the County, in cooperation with its HOME and Urban County partners, will implement the programs and projects contained therein.

Background:

The County of Santa Barbara serves as the lead agency in two federal funding partnerships:

- *Santa Barbara County HOME Consortium* (HOME Consortium), a partnership under the HOME program dating back to 1994 that includes the cities of Buellton, Carpinteria, Goleta, Lompoc, Santa Maria and Solvang, along with the County.
- *Santa Barbara Urban County Partnership* (Urban County), a partnership created in 2007 under the CDBG program, which includes the cities of Buellton, Carpinteria, Lompoc and Solvang, along with the County.

As the lead agency, the County assumes responsibility for funding management, administration, regulatory compliance, and submission of various mandated federal reports, including the annual Action Plan.

Action Plan

The Action Plan is a component of and annual update to the Consolidated Plan, a mandated 5-year strategic planning document reflecting the goals, priorities, objectives and performance measures of the HOME Consortium and CDBG Urban County. The Action Plan outlines and discusses the County's operating plan for the 2011 program year, including program specific requirements, and details the partnerships' 2011 allocations¹ and proposed use of funds to further the federal and local affordable housing and community development goals and objectives articulated in the Consolidated Plan.

The development, approval and implementation of the Action Plan is required under HUD community development entitlement funding programs, and must be submitted annually in order to maintain eligibility for this grant funding. The funding recommendations included in the draft Action Plan are consistent with the priorities, goals and objectives articulated in the 2010-2015 Consolidated Plan (approved by the Board in May 2010). All preliminary funding reservations made by review committees are subject to Board approval. Each member city retains autonomy over award of their funding allocations.

2011 Funding Process (HOME, CDBG and ESG)

The County Department of Housing and Community Development (HCD) published the annual Notice of Funding Availability (NOFA) for HOME, CDBG and ESG funds on November 15, 2010. The HOME program expands affordable housing opportunities to low and moderate income households; the CDBG program provides decent housing, suitable living environments and expanded economic opportunities to low and moderate income persons; and the ESG program provides shelter and supportive services to the homeless. HCD held two in-depth public workshops in early December to provide opportunity for applicants to ask questions about the NOFA criteria and grant-making process, and all applications for funding were due by January 21, 2011. In addition to the County funding share, allocations for the cities of Solvang, Buellton, Carpinteria and Goleta were also included in the County NOFA. The cities of Lompoc and Santa Maria each administer independent but concurrent funding processes. All funding reservations are incorporated into the Action Plan by HCD staff and, subsequent

¹ All allocations included in the draft Action Plan are estimates based on the 2010 allocations, as congress has not yet adopted a budget for the 2011-12 fiscal year.

to a 30-day public review period and final Board approval, the Action Plan is submitted to HUD for federal approval. During the public review period, HCD hosted two public workshops, one in South County and one in North County, to discuss and solicit public comment on the 2011 draft Action Plan.

A detailed update on the 2011 NOFA process was provided to the Board on March 1, 2011. Since that time, HCD convened two Board-approved review committees that reviewed applications for funding and interviewed applicants. The two committees were:

- *Capital Loan Committee*, a Brown Act committee that currently includes five members with expertise in various areas (Lender, Builder, City Public Housing Agency, and representatives from the County Auditor-Controller and Treasurer-Tax Collector offices).

On March 24, 2011 HOME and CDBG Capital Project applicants were interviewed and the Committee evaluated each project based on the funding criteria that were approved by the Board of Supervisors. The Committee reviewed the applications and the HOME and CDBG Capital Project Application Evaluation Matrices (Attachment D) prepared by HCD that analyzed the applications submitted through the 2011 NOFA, based on the Board approved funding criteria of: Project readiness, financial feasibility, cost efficiency, energy efficiency and conservation, and administrative capacity. Under the County's NOFA, a total of ten applications for HOME funding were received totaling \$4,162,894 in requests, and an additional ten applications for CDBG Capital Project funding were received totaling \$2,744,480 in requests. The Capital Loan Committee made funding reservations for the \$1,137,335 in HOME funds and \$964,598 in CDBG Capital Project monies available under the County's NOFA, subsequent to the interview process, review of application materials, and public deliberations.

- *Public Services Committee*, a Brown Act sub-committee of the Human Services Commission that includes a representative from each of the five supervisorial districts.

On April 4, 2011 ESG and CDBG Public Services applicants under the County NOFA were interviewed and evaluated based on administrative capacity, program quality and effectiveness, Consolidated Plan priorities, and cost efficiency and financial feasibility. Through the County's NOFA, a total of 22 CDBG Public Services applications were received totaling \$454,086 in requests, with an additional five ESG applications received totaling \$120,000 in requests. On April 5, the Committee deliberated publicly and determined funding reservations for the \$180,000 in CDBG Public Services and \$84,327 in ESG funds available, to include in the 2011 draft Action Plan.

All funding reservations made by the review committees were incorporated into the draft Action Plan for public review, and are subject to Board approval. Attachment C provides a summary of applicant funding requests and committee reservations by program.

Conclusion

The Action Plan is submitted by County HCD to HUD annually in May on behalf of the HOME Consortium and CDBG Urban County in order to realize funding under the HOME, CDBG and ESG programs. The Action Plan serves as an annual update to the five-year Consolidated Plan, and is the formal annual grant application for community development entitlement funding provided through HUD. The draft Action Plan will be finalized and brought back to the Board for consideration of final approval on May 10 in order to meet the submission deadline of May 16.

Performance Measure:

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<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			
Fees			
Other:			
Total	\$ -	\$ -	\$ -

Narrative: Funds are passed through to organizations providing affordable housing and housing-related activities (HOME), community development projects and programs (CDBG), and homeless services and shelters (ESG). The County retains 10% of HOME funds for grant administration and an additional 5% for program/project implementation expenses, 20% of CDBG funds for administration and 2.5% of ESG funds for administration. Adoption of this document is required for the county to maintain eligibility for \$4 million in annual grant funding across the region.

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions:

Attachments:

- A. 2011 Draft Action Plan
- B. Funding Reservation Map
- C. Project Funding Tables
- D. Project Evaluation Matrices (HOME and CDBG Capital Projects)

Authored by: Brooke Welch, Senior Housing Program Specialist