



**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: October 19, 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: 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. Approve, ratify and authorize the Chair to execute a "First Amendment to Subrecipient Agreement" with United Way of Santa Barbara County to add funding in the amount of \$2,442,626 from the second tranche of the County's American Rescue Plan Emergency Rent Assistance (ERA 2) allocation for continued administration of an emergency rent assistance payment program (Attachment A); and
- B. 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 approve a First Amendment to the Subrecipient Agreement with United Way (Attachment A). The Amendment makes certain changes to the Subrecipient Agreement approved by the Board on August 17, 2021. These changes reflect the re-opening of United Way’s application portal upon the State closing their rental assistance application portal and increase the funding amount by \$2,442,626 comprising the second tranche of the County’s American Rescue Plan Emergency Rent Assistance (ERA 2) direct Treasury allocation received since the Agreement was approved.

Background:

The President signed the American Rescue Plan Act of 2021 on March 11, 2021, which included \$21.55 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 anticipates receiving an estimated allocation of \$16,610,602 in ERA 2 funds. In accordance with the American Rescue Plan, the County has to date received \$6,644,240 of this direct ARP ERA 2 allocation. By obligating the second tranche of ERA 2 funds in the amount of \$2,442,626 recommended by this Board Letter, the County will trigger the 75% obligation threshold and draw-down the remaining \$9,966,362 from Treasury. Grantees can use up to 15% of their allocation for administrative costs attributable to providing financial assistance, housing stability services, and other affordable rental housing and eviction prevention activities. The remaining funds must be used for rent, rental arrears, utilities, utility arrears, and other housing expenses resulting from the pandemic for qualifying households. Significant updates to the U.S. Treasury program regulations include the eligibility of ERA funds to be used for prospective relocation assistance, including after an eviction. The provision of housing stability services under ERA 2 no longer need to be related to the COVID-19 outbreak, and may include a variety of services intended to maintain housing, including landlord tenant mediation, eviction prevention and eviction diversion, and legal services or attorney’s fees related to eviction proceedings.

United Way administered the County’s prior ‘ERA 1’ allocation under the 2021 Consolidated Appropriations Act. On February 9, 2021 the Board of Supervisors approved a subrecipient agreement with United Way of Santa Barbara County to administer the County’s direct \$13,275,190 allocation of 2021 Appropriations Act Emergency Rental Assistance (“ERA 1”) funding from U.S. Treasury. United Way’s ERA 1 program assisted 1,413 households at or below 80% Area Median Income (AMI) with an average of \$8,262.25 in rent assistance. The vast majority of households assisted were families at or below 50% AMI.

The below table summarizes the status of ERA 1 and ERA 2 rounds for the County discussed above, and the State of California. The State has coordinated with the County to administer its ERA 1 to Santa Barbara County residents. The State Block Grant Agreement for the ERA 2 funds is anticipated shortly and will be brought back to the Board for approval.

U. S. Treasury (direct to County)		State of California	
ERA Round 1	ERA Round 2	ERA Round 1	ERA Round 2
\$13,275,190	\$16,610,602	\$14,287,321	\$12,453,350.90
Direct Assistance fully expended by United Way, application portal closed.	Second tranche of this funding is the subject of this Board Letter. First tranche allocated to United Way via subrecipient agreement approved August 17, 202.	Transitioning to United Way application portal (Option C)	8/17/21 Board ratified LOI to State HCD to administer the State ERA 2 allocation along with the County's direct U.S. Treasury ERA 2 (Option B). Staff will return to the Board separately to obligate these funds.

Performance Measure:

United Way/Family Services Agency will income-qualify persons served and document that County residents served have household incomes at or below 80% of the area median income (AMI), as determined and published by HUD annually. Residents with incomes at or below 50% AMI will be prioritized. United Way will report on the number of persons or households served on a monthly basis and must retain documentation for 5-years following the close-out of the program to indicate that the program was operated in accordance with the Treasury's Regulations.

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:

<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			\$ 2,442,626.00
Fees			
Other:			
Total	\$ -	\$ -	\$2,442,626

Key Contract Risks:

It is possible 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

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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 A).
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: teyber@co.santa-barbara.ca.us Ext. 3513.
3. Please retain one set of the executed original documents listed below for COB records.

Attachments:

A: United Way Subrecipient Agreement 1st Amendment

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Attachment A

UW Subrecipient Agreement 1st Amendment

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