

Exhibit B
Administrative Plan
City of Santa Maria
Tenant-Based Rental Assistance Program

Subrecipient shall target assistance under the Tenant Based Rental Assistance Program (“Program”) to low income residents of the City of Santa Maria. No HOME funds provided as part of the County HOME grant shall be used for any expense other than Security Deposits. Subrecipient shall administer the Program in accordance with the provisions established in the body of the Agreement and in accordance with the provisions contained in all exhibits attached thereto, including most particularly the policies and procedures established below in this Administrative Plan. Any and all amendments to this Administrative Plan shall require prior written approval by the County.

I. TBRA Tenant Selection and Targeting

TBRA Tenant selection will be carried out pursuant to the Tenant Selection Plan attached to the Agreement as Exhibit C.

II. TBRA Tenant Eligibility

- A. Annual Household Income – All tenant households receiving assistance under the Program (“TBRA Tenants”) shall be low income households, in which the annual household income shall not exceed sixty percent (60%) of the area median income, as established annually by HUD. Annual household income is hereby defined as the combined household income that is anticipated by all adult members of the household during the twelve (12) months following the effective date of their acceptance to the Program (“Annual Household Income”).
- B. Annual Household Income Certification – Upon intake, Subrecipient shall calculate Annual Household Income by using the 24 CFR Part 5 Annual Income Method as described in the HUD regulations at 24 CFR 5.609. The HUD Income Eligibility Calculator found at <https://www.onecpd.info/incomecalculator/> is recommended for this purpose.
- C. Annual Household Income Verification – Upon intake, Subrecipient shall verify Annual Household Income using third party source documentation such as wage statements, interest statements, unemployment compensation benefits, and social security benefits. As described above herein, income eligibility is based on anticipated income. When collecting income verification documentation, Subrecipient shall consider any likely changes in income. A previous year’s tax return statement is a useful supporting document,

however it does not by itself establish anticipated income, and shall not by itself constitute adequate source documentation. Upon completion of income verification, Subrecipient is not required to re-verify an applicant's Annual Household Income before assistance is provided unless six (6) months have elapsed since the Subrecipient determined that the TBRA Tenant qualified as income eligible.

III. TBRA Unit Eligibility

- A. Referral Services – Subrecipient shall assist TBRA Tenants in finding suitable affordable housing. TBRA Tenants shall not be required to accept the rental housing units recommended by Subrecipient.
- B. Location – All TBRA Units shall be located within the County of Santa Barbara. Ideally, units should be located in neighborhoods with adequate commercial facilities and relevant services, including public transportation.
- C. Type – All TBRA Units shall meet the following criteria:
 - 1. Residential Housing Units Only. Space in either commercial or industrial use buildings is not eligible. In accordance with the definition of housing as set forth in 24 CFR 92.2, TBRA Units rented by TBRA Tenants shall include manufactured housing and manufactured housing lots, permanent housing for disabled homeless persons, transitional housing, single-room occupancy housing, and group homes. Housing also includes elder cottage housing opportunity (ECHO) units that are small, free-standing, barrier free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings. Housing does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities and student dormitories.
 - 2. Rental Housing Units Only. Assistance shall not be made available to owners of residential units.
 - 3. Type of Owner. The type of owner of the building in which the subject residential rental unit is located is not a factor. Publicly or privately owned residential structures are equally acceptable.
 - 4. Subsidized Housing. The type of financing used to develop and maintain the residential structure in which the subject TBRA Unit is located is not a factor. Residential structures financed either with public funds or without public funds are equally acceptable.

D. Property Standards

1. Section 8 HQS – Without exception, Subrecipient shall ensure that all TBRA Units assisted under the Program meet Section 8 Housing Quality Standards and the requirements set forth in 24 CFR 92.209(i), 24 CFR 92.251(d), and 24 CFR 982.401.
2. Inspections – Subrecipient shall inspect each TBRA Unit prior to occupancy. Upon request by the County, Subrecipient shall make the TBRA Unit available for County staff.
3. Lead-Based Paint – Subrecipient shall ensure that all TBRA Units meet the provisions of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C., §§ 4821 et seq.), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C., §§ 4851 et seq.), and implementing regulations at 24 CFR Part 35, subparts A, B, J, K, M and R, and 24 CFR 92.355 of the HOME Final Rule. Subrecipient shall inspect each TBRA Unit and make and document lead-based paint determinations accordingly. Subrecipient shall provide to each TBRA Tenant a copy of the federal pamphlet titled Protect Your Family From Lead in Your Home which is available at the following link:
<http://www.epa.gov/lead/leadprot.html>.

IV. Lease

- A. Eligible Leases – Subrecipient shall ensure that leases meet the following criteria:
 1. Term – Leases shall have a minimum term of 1 year, unless both parties agree otherwise.
 2. Prohibited Provisions – Leases may not contain any of the following provisions:
 - a. Agreement by the TBRA Tenant to be sued or to admit guilt, or a judgment in favor of the owner in a lawsuit brought in connection with the Lease;
 - b. Agreement by the TBRA Tenant that the owner may take, hold or sell the personal property of TBRA Tenant (and other household members) without notice to the TBRA Tenant and a court decision on the rights of the parties (this does not apply to personal property left by the TBRA Tenant after move-out);

- c. Agreement by the TBRA Tenant not to hold the owner or its agents legally responsible for any action or failure to act, whether intentional or negligent;
- d. Agreement by the TBRA Tenant that the owner may institute a lawsuit without notice to the TBRA Tenant;
- e. Agreement that the owner may evict the TBRA Tenant (or other household members) without a civil court proceeding where the TBRA Tenant has the right to present a defense, or before a court decision on the rights of the TBRA Tenant and the owner;
- f. Agreement by the TBRA Tenant to waive a trial by jury;
- g. Agreement by the TBRA Tenant to waive the TBRA Tenant's right to appeal or otherwise challenge a court decision;
- h. Agreement by the TBRA Tenant to pay attorney fees or other legal costs, even if the TBRA Tenant wins in court. The tenant, however, may be obligated to pay costs if the tenant loses; or
- i. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.”

B. Rent – Subrecipient shall ensure that rents meet the following standards:

1. Reasonable Rent – Subrecipient shall evaluate rents for reasonableness. Subrecipient shall determine that rents are comparable to similar, nonsubsidized units located in the immediate neighborhood.
2. Absolute Rent Maximum – Under no circumstances shall rents exceed the Fair Market Exception Rent (“Exception Rent”) if applicable or the Fair Market Rent (“FMR”), whichever is higher. The FMR is established annually by HUD. Periodically, HUD considers requests made by jurisdictions for a higher rent known as the Exception Rent.

V. **TBRA Contract and Lease Addendum**

TBRA Tenant and owner shall execute the TBRA Contract and Lease Addendum attached to the Agreement as Exhibit E. The TBRA Contract and Lease Addendum defines rights and responsibilities of the TBRA Tenant and owner.

VI. TBRA Assistance

The following eligible assistance will be provided pursuant to this Agreement. The total amount of Security Deposit assistance shall not exceed the amount equal to two (2) months of rent for the TBRA Unit.

- A. TBRA Rental Unit Deposits - Subrecipient may make one-time security deposit payments directly to owners. Upon vacating the TBRA Unit, repayment of the rental unit deposit shall be payable to the TBRA Tenant directly. There shall be no repayment of security deposit funds to either Subrecipient or County.

VII. Requests for County Payment

Subrecipient shall submit to the County monthly requests for reimbursement of Security Deposit payments made by Subrecipient to owners. The monthly reimbursement requests shall be made using the form attached to the Agreement as Exhibit A.

VII. Reporting

Subrecipient shall submit reports to County containing all of the data required by the ESPR Tenant Data Sheet contained on Page 2 of Exhibit A to document beneficiary level data required to be entered into the HUD Integrated Disbursement and Information System by County. Monthly reimbursement requests shall not be paid unless complete reports are submitted.

VIII. Monitoring

The County will monitor Subrecipient performance, compliance with the HOME regulations, recordkeeping and financial management capacity during the performance of this Agreement.

IX. Fees

The Subrecipient is prohibited from charging servicing, origination, or other fees for the costs of administering the HOME program, except as permitted by 24 CFR 92.214(b)(1).