



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:** 12/13/16  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department George Chapjian, Community Services Director  
Director(s)  
Contact Info: Dinah Lockhart, Deputy Director 568-3523  
Laurie Baker, Grants and Program Manager 568-3521  
**SUBJECT:** **First Amendments to the County HOME Loan Agreement and County HOME Loan Regulatory Agreement between County and Good Samaritan Shelter to add a Veteran Preference for the Affordable Housing Project at 220 S. First Street, Orcutt (District 4)**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Risk Management**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A. Approve a First Amendment to the County HOME Loan Agreement (Attachment A) and the County HOME Loan Regulatory Agreement (Attachment B) executed between the County and Good Samaritan Shelter to add the requirement that a preference be provided to Veterans for occupancy at 220 S. First Street, Orcutt; and
- B. Determine that the approval of the substantial amendment is not 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 actions are not a project as they are the 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 impact on the environment, and direct staff to file a Notice of Exemption (Attachment C).

**Summary Text:**

On June 7, 2016, the Board approved an award of County HOME funds to Good Samaritan Shelter to acquire and rehabilitate property at 220 S. First St., in Orcutt (Property). The Property is a single-family home with six bedrooms and two bathrooms that will be used as permanent housing for formerly homeless veterans.

To allow a preference for veterans, HUD HOME regulations stipulate that a preference for veterans be included in the County's FY 2015-2020 Consolidated Plan and current FY 2016-17 Action Plan (Plans). The Board directed staff to return to the Board with recommendations regarding potential modifications to the consolidated plan to add occupancy preferences for veterans.

On November 8, 2016, the Board approved substantial amendments to the FY 2015-2020 Consolidated Plan and FY 2016-17 Action Plan to add a preference category for Qualified Veterans for occupancy in housing units, and tenant-based rental assistance (TBRA) programs, funded with County HOME funds. The County now may require in its financing documents or subrecipient agreements that Qualifying Veterans be provided a preference over other applicants for housing or TBRA.

The Recommended Actions are to approve amendments to the County HOME Loan Agreement and the County HOME Loan Regulatory Agreement for the Property, to require the owner, Good Samaritan Shelter, to apply the Veteran Preference at the Property when units are available for occupancy.

**Background:**

The Board approved the County's Five Year Consolidated Plan, for Fiscal Years 2015-2010 on May 12, 2015 and the FY 2016-17 Action Plan on May 3, 2016 (Plans) for submittal to HUD. The Plans did not contain the intent of the County to allow a veteran preference for occupancy in HOME-funded housing projects and programs.

During the June 7, 2016 public hearing for the consideration and approval of HOME funding for the acquisition and rehabilitation of property at 220 S. First Street in Orcutt by Good Samaritan Shelter, the Board directed staff to return to the Board as appropriate with recommendations regarding potential modifications to the Consolidated Plan and Action Plan to add occupancy preferences for veterans (Attachment D).

HUD allows local recipients of HOME funds to include one or more preferences in subrecipients' Tenant Selection Plans, which set forth how the subrecipient will market the availability of affordable housing or TBRA to the local community and select tenants for participation. If these preferences are described in the Consolidated Plan and Action Plan, the County may require subrecipients, such as affordable housing developers and administrators of TBRA programs, to add a preference to HOME-funded housing programs to allow qualified applicants to receive a "priority" during selection for housing assistance.

The Veterans preference stipulates that qualifying applicants are those whose head of household or spouse or domestic partner has served in active duty in the United States Armed Forces for a minimum of six (6) continuous months, and if separated from military service, received other than a dishonorable discharge. The veteran preference will also be given to a spouse or domestic partner of a veteran, as defined above. Verification of veteran status will be by submittal of a copy of the Veteran's DD-214.

The Recommended Actions to approve an amendment to the County HOME Loan Agreement and County HOME Loan Regulatory agreement will amend the documents to require Good Samaritan Shelter to apply the Veteran Preference at the Property and include the Veteran Preference in its Tenant Selection Plan.

**Performance Measure:**

The Property will be monitored annually and a site visit conducted at least every three years to assure continued compliance with the HOME Regulatory Agreement, specifically with regard to compliance with tenant income and rent limits, property standards, and the application of the Veteran Preference throughout the duration of the 15-year affordability period.

**Fiscal and Facilities Impacts:**

Not Applicable.

**Fiscal Analysis:**

No General Fund contribution is necessary to implement this action.

Federal			
Fees			
Other:			
Total	\$0	\$0	\$0

**Key Contract Risks:**

In the event of non-compliance with the HOME Regulatory Agreement, the County could be a risk of repayment of HOME funds to HUD from non-federal sources. HCD will conduct on-site monitoring of the Property at least every three years and will annually review the year-end financial statements of the Property and Good Sam, the owner of the property, to assure continued financial feasibility to operate the Property. The County's loan will be secured by a Deed of Trust and the County will have the option to call the loan and/or foreclose if the Property is determined to be out of compliance with the HOME Regulatory Agreement. HCD staff has evaluated the risks associated with the Property and determined that such risks are within industry standards and that there are safeguards in place to prevent or mitigate risks.

**Staffing Impacts:**

Current HCD staff will monitor the Property for the fifteen-year HOME compliance period, until 2031.

**Special Instructions:**

Please return a copy of the Minute Order to Lucy Graham at [lucygraham@co.santa-barbara.ca.us](mailto:lucygraham@co.santa-barbara.ca.us)

**Attachments:**

- A. Amendment to the County HOME Loan Agreement
- B. Amendment to the County HOME Loan Regulatory Agreement
- C. CEQA Notice of Exemption
- D. June 7, 2016 Minute Order