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**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: 11/08/16
Placement: Departmental
Estimated Time: 30 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department George Chapjian, Director
Director(s)
Contact Info: Dinah Lockhart, Deputy Director, 568-3523
Laurie Baker, Grants and Program Manager, 568-3521
SUBJECT: Approval of FY 2016-17 Action Plan Substantial Amendment to add the Los Adobe de Maria III affordable housing project (Project)(Supervisory District 4)

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. Consider public comments (including those in Attachment A) relating to the use of federal HOME Investment Partnerships (HOME) funds for Los Adobes de Maria III Apartments (Project) and Substantial Amendment to the FY 2016-17 Action Plan submitted during the 30-day public comment period, which began on October 8 and concludes at the end of the public hearing for the Project on November 8, 2016;
- B. Approve a Substantial Amendment to the FY 2016-17 Action Plan (Attachment B), which adds the use of \$948,852 in federal HOME funds for the Project and up to \$15,000 in Project-related soft costs incurred by the County, and direct staff to submit the Substantial Amendment to HUD;
- C. Determine that the approval of the amendment to the FY 2016-17 Action Plan 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 D).

Summary Text:

The Recommended Actions are to consider public comments and approve the addition of the Los Adobes de Maria III project, and the use of HOME funds for the Project, to the FY 2016-17 Action Plan. Staff will return to the Board at a later date with Recommended Actions to approve and execute County HOME Loan Documents.

In February 2016, the Board approved a reservation of \$948,852 in HOME funds to the Project (see Project Summary, Exhibit C). The County HOME Loan documents* are not in final form at this time. If the Board does not approve the HOME loan to the Project, then the Project will be removed from the Action Plan at the next amendment.

Amendments to annual Action Plans require a 30-day public notice and public hearing; the public comment period for this Amendment began on October 8 and ends on November 8, at the close of the Board hearing for this item.

*County HOME Loan documents include County HOME Loan Agreement, County HOME Loan Promissory Note, County HOME Loan Deed of Trust and County HOME Loan Regulatory Agreement

Background:

The County is the lead entity of the Santa Barbara County HOME Consortium, which consists of the County and the cities of Buellton, Solvang, Goleta and Carpinteria.

The United States Congress appropriates funds for the HOME program annually, which is allocated to the HOME Consortium by the U.S. Department of Housing and Urban Development (HUD). The County then distributes the funds to its partner cities via formula, based on population and other factors. If the cities do not have projects ready to utilize the funds, then the County may commit those funds to other projects throughout the County. Projects that receive awards from federal funds (CDBG, HOME, and ESG) are included in the County's annual Action Plan, or in an amendment to the Annual Action Plan, that is submitted to HUD. Annual Action Plans and amendments are approved by the Board prior to submission to HUD.

The Board of Supervisors (Board) approved the FY 2016-17 Action Plan in April 2016. The FY 2016-17 Substantial Amendment adds the use of up to \$963,852 in federal HOME funds, which consists of \$948,852 in Project costs and \$15,000 in Project-related soft costs (County staff costs) toward the development of Los Adobes de Maria III Apartments, a 34-unit People's Self-Help Housing Corporation (PSHHC) project in Santa Maria. Staff will return to the Board on November 15, 2016 for approval of HOME funds, and execution of County HOME Loan documents for the Project.

Performance Measure:

Not Applicable for an Action Plan amendment.

Fiscal and Facilities Impacts:

Not Applicable

Fiscal Analysis:

The County has available HOME funds in an amount sufficient to fund this project.

Key Contract Risks:

Not applicable for an Action Plan amendment.

Staffing Impacts:

The addition of the HOME funds to the FY 2016-17 Action Plan involved the drafting of the Amendment, submitting to the Board for approval, and submission to HUD via electronic means through the federal Integrated Disbursement and Information System (IDIS).

Special Instructions:

Please return a copy of the Minute Order to Lucy Graham at lucygraham@co.santa-barbara.ca.us

Attachments:

- A. Public comments received relating to the Los Adobes de Maria III project
- B. Substantial Amendment to FY 2016-17 Annual Action Plan
- C. Project Summary
- D. CEQA Notice of Exemption