



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  
Department No.: 057  
For Agenda Of: June 18, 2013  
Placement: Administrative  
Estimated Time:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** Herman Parker, Community Services Director (805) 568-2467  
Simon Kiefer, HCD Grants & Program Manager (805) 568-3534  
**SUBJECT:** \$700,000 Tenant-Based Rental Assistance Subrecipient Agreement  
with the Housing Authority of the County of Santa Barbara

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management & P&D

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A. Approve and Authorize the Chair of the Board of Supervisors to execute the Tenant-Based Rental Assistance Subrecipient Agreement with the Housing Authority of the County of Santa Barbara (Attachment A); and
- B. Determine that the approval of the grant and execution of the Subrecipient Agreement are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), finding that the activities are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activities in question may have a significant effect on the environment, the activities are not subject to CEQA, and direct staff to file a Notice of Exemption (Attachment B).

**Summary Text:**

The \$700,000 Tenant-Based Rental Assistance Subrecipient Agreement scheduled for action by the Board of Supervisors on today's agenda is a grant of federal HOME Investment Partnerships (HOME) Program funds to the Housing Authority of the County of Santa Barbara (Housing Authority) to provide

low income households throughout Santa Barbara County with financial assistance in the form of rental subsidies and security deposits paid directly to their landlords.

The grant for Tenant-Based Rental Assistance (TBRA) is one of three items included in the FY 2012-2013 Annual Action Plan Substantial Amendment that is placed concurrently on the administrative agenda for Board approval.

**Background:**

The County receives HOME funds from the U.S. Department of Housing and Urban Development (HUD) to be used to expand the supply of affordable housing to low income households. HOME funds must be committed within two years of when they are awarded to the County, and an executed written agreement is required in order to commit HOME funds. The County faces a July 31, 2013 deadline to commit approximately \$2.1 million in HOME funds, as indicated in the attached correspondence from the U.S. Department of Housing and Urban Development (Attachment C). Approval and execution of the proposed Subrecipient Agreement would help enable the County to meet the commitment deadline.

**Recommended Subrecipient Agreement:**

The Housing Authority's HOME-funded TBRA program would operate similarly to the Section 8 Program that the Housing Authority administers. Pursuant to the proposed Subrecipient Agreement:

- The Housing Authority will review applicant's income to determine eligibility. Household income cannot exceed 60% of Area Median Income (currently \$47,800 for a family of 4).
- The Housing Authority will issue the eligible household a voucher, instruct the household to find an available rental unit, and provide assistance in locating a unit if requested.
- Once a unit is identified, the Housing Authority will inspect the unit to determine whether it meets federal Housing Quality Standards (HQS) and review the rent in order to make sure it is reasonable given its size, location and condition. Rent cannot exceed the area's Fair Market Rent, as determined annually by HUD.
- The Housing Authority will review the lease to ensure that it does not contain terms prohibited by HUD, and the owner and tenant will execute the lease.
- Rent is paid directly to the owner from two sources: 1) the portion paid by the tenant (Tenant Share), which equals 30% of household income; and 2) the portion paid by the Housing Authority (Rental Subsidy) which covers the difference between the rent and the Tenant Share.
- Regardless of income, the Tenant Share cannot be less than \$50 per month.
- The Housing Authority will inspect all units annually to ensure they continue to meet HQS and annually review household income to ensure households are still eligible.
- Rent subsidies will have a maximum term of 24 months.
- The Housing Authority will be responsible for maintaining records on the eligibility of households and units and making records available for County's review.

Based on an estimate of the average monthly rental subsidy of \$800, the Housing Authority's TBRA program would provide rental assistance to 36 households for up to two years. Actual numbers of assisted households would depend on actual figures for household income and unit rent.

The Housing Authority has not requested any funding for administrative expenses, since it already has in place existing staff and capacity to administer TBRA. Therefore, the entire grant amount of \$700,000 would be used for rental subsidies and security deposits.

**Fiscal and Facilities Impacts:**

Federal HOME funds have already been awarded to the County by HUD for the proposed \$700,000 grant. As mentioned above, the County is facing a commitment deadline of July 31, 2013 and could possibly lose HOME funding if not committed in time. Approval and execution of the Subrecipient Agreement would help meet the July commitment deadline.

The Subrecipient Agreement contains the provision that in the event federal HOME funds are not made available to the County for any reason, then the County will not be liable for providing funds to the Housing Authority.

**Fiscal Analysis:**

The proposed Subrecipient Agreement involves federal HOME funds only, and it constitutes a one-time project cost.

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized</u> <u>On-going Cost:</u>	<u>Total One-Time</u> <u>Project Cost</u>
General Fund			
State			
Federal			\$ 700,000.00
Fees			
Other:			
Total	\$ -	\$ -	\$ 700,000.00

**Special Instructions:**

- Execute two (2) original copies of Attachment A
- Provide a copy of the minute order reflecting Board Action

**Attachments:**

Attachment A - Subrecipient Agreement

Attachment B - CEQA Notice of Exemption

Attachment C - Letter from the U.S. Department of Housing and Urban Development