

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 5/1/03
Department Name: County Administrator
Department No.: 990
Agenda Date: 5/20/03
Placement: Administrative
Estimate Time: None
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Edward Moses, Director
Housing & Community Development Department

STAFF

CONTACT: Patricia Gabel, #3522

SUBJECT: Renewal of HOME Consortium Agreement

Recommendation(s):

That the Board of Supervisors adopt the attached resolution:

- A. That authorizes the County Administrator to enter into the amended *Cooperative Agreement to Renew a HOME Consortium* between the County of Santa Barbara and the cities of Buellton, Carpinteria, Goleta, Lompoc, Santa Maria and Solvang.
- B. That designates the County Administrator or his designee as the official representative to the Consortium and authorizes the County Administrator to act on behalf of the County in all manners of business related to the functions of the Consortium.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goals No. 5. and No. 7. Maintain and Enhance the Quality of Life for all Residents and Strengthen the Safety and Well-Being of Children and Their Families to Ensure a Strong Future for our Community.

Executive Summary and Discussion:

In 1994, the County of Santa Barbara entered into a Cooperative Agreement to Form a HOME Consortium with the cities of Guadalupe, Santa Maria, Carpinteria, and Lompoc and has renewed that Agreement every three years as required by federal statute. The cities of Buellton and Solvang joined and Guadalupe withdrew from the consortium when it renewed in 2000. The newly incorporated City of Goleta was included in the Consortium in June 2002. The current Consortium Agreement will continue until September 2003.

The federal statute was recently amended to facilitate the automatic renewal of Consortiums. New language in the attached Cooperative Agreement To Renew A Home Consortium allows for the automatic renewal of the Agreement while giving each jurisdiction the opportunity to withdraw from the Consortium at the end of each three – year qualification period required by HUD. The City Council of each member City has already approved the attached Cooperative Agreement To Renew A Home Consortium. Once executed and approved by HUD, federal statute requires that the Consortium and its membership remain intact for the entire three-year period. New communities, however, may join.

The Consortium allows the County to receive annual affordable housing grant funds from the U.S. Department of Housing and Urban Development (HUD). The HOME Program funds are used to produce and preserve affordable housing opportunities for low and very low – income families.

In addition, Consortium membership allows member jurisdictions to be eligible to receive an Urban County designation for entitlement Community Development Block Grant (CDBG) funds from HUD. Currently, Congressman Elton Gallegly is sponsoring an amendment to Title I that will give the Santa Barbara County HOME Consortium members entitlement CDBG status if passed.

The Consortium has received approximately \$11.5 million in HOME funds over its initial nine years in operation and utilized these funds to leverage additional state, federal and private housing funds at \$5 for every \$1 invested. Annual grant awards depend upon Congressional appropriations levels.

As lead agency for the Consortium, the County receives 10% of the grant amount for administration, the remainder of the grant is made available for projects. Acceptance of federal HOME funds to carry out affordable housing activities requires the County to comply with the conditions attached to those funds. The Cooperative Agreement also commits the County to meeting the 25% match requirement that is based on federal funds spent on housing projects, or approximately 90% of the grant amount. Program match is primarily funded with locally – generated, in – lieu and other County affordable housing funds.

As administrator of the Consortium’s HOME program the County provides the following services:

- A. General HUD HOME Program Administration
 1. Identification of Housing Needs
 2. Annual Performance Reporting to HUD
 3. Provides and Refines Criteria for Project Evaluation and Funding Awards
 4. Project Underwriting (Verify the Accuracy of the Project Development Budget)
 5. Project Monitoring for Regulatory Compliance (Construction, Rent Up and Annual Reviews to Evaluate Compliance)
 - a. Federal Overlay Requirements
 - b. Rent Limits
 - c. Property Inspection (Operations, Upkeep, Management & Record-keeping)
 - d. Occupancy Requirements
 - e. Tenant Eligibility
 6. Administer Consortium Anti-displacement and Relocation Assistance Plan
- B. First-Time Homebuyer Program Administration
- C. Homeowner Housing Rehabilitation Program Administration

Mandates and Service Levels:

Housing Finance and Development's program is not mandated; however, acceptance of federal HOME funds to carry out affordable housing activities requires the County to comply with the conditions attached to those funds. There is no change in service levels anticipated by the approval of this grant.

Fiscal and Facilities Impacts:

Federal appropriation level for 2003 was \$1,858,537 to the HOME Consortium. Of the full grant, 10% is used by the County to administer the Consortium.

The Cooperative Agreement commits the County to meeting the 25% match requirement that is based on funds spent on housing projects, or approximately 90% of the grant amount. Program match is primarily funded with locally generated, in-lieu and other affordable housing funds.

Special Instructions:

Each of the three Cooperative Agreements to Renew a HOME Consortium requires three original signatures. Return two originals of the Agreement and two certified copies of the resolution to Patricia Gabel in room 105. HCD will forward one set of originals to HUD and one is kept in the Consortium administration files.

Concurrence:

Auditor Controller
Risk Management