



**BOARD OF SUPERVISORS**      **Agenda Number:**  
**AGENDA LETTER**

**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:** April 9, 2019  
**Placement:** Departmental  
**Estimated Time:** 15 minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department                      George Chapjian, Director 805-568-2485  
Director(s)                              Dinah Lockhart, Deputy Director HCD 805-568-3523  
Contact Info:                            Laurie Baker, Grants and Programs Manager 805-568-3521  
**SUBJECT:**      **Approval of a Substantial Amendment to FY 2018-19 Action Plan and Execution of Agreement with The Salvation Army to Provide Disaster Relief to Primarily Low-Income Households (Supervisorial Districts 1 and 2)**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence: Risk Management**

As to form: Yes

**Recommended Actions:**

- A. Hear and consider public comments, relating to a Substantial Amendment to the FY 2018-19 Action Plan (Attachment A) providing \$100,000 in federal Community Development Block Grant (CDBG) funds to the Salvation Army for a Disaster Relief program (Program), that were received during the 30-day public comment period which began on March 8, 2019 and concludes at the end of today's public hearing for the Program;
- B. Approve the Substantial Amendment to the FY 2018-19 Action Plan (Attachment A), which adds the use of One Hundred Thousand Dollars (\$100,000) in CDBG Funds for the Program and direct staff to submit the Substantial Amendment to HUD;
- C. Approve and authorize the Chair of the Board of Supervisors to execute a Subrecipient Agreement (Attachment B) in the amount of \$100,000 between the County and The Salvation Army to administer an Emergency Grant Payment Program;
- D. Authorize the HCD Director to execute an amendment that extends the term of the Subrecipient Agreement (Attachment B) for up to 6-months and is otherwise consistent with applicable HUD regulations and notices; and
- E. Determine that the recommended actions are not the approval of 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.

**Summary Text:**

The purpose of this Substantial Amendment to the FY 2018-2019 Action Plan is to award \$100,000 in County CDBG funds to the Salvation Army for assistance to persons affected by the Thomas Fire and Montecito debris flow disasters for such items as food, clothing, housing, utilities or other basic daily needs. These funds were set-aside in the FY 2018-19 Action Plan for disaster relief to be committed by the Board at a later date. Amending the FY 2018-19 Action Plan would now allow these funds to be used for their intended purpose.

**Background:**

On August 20, 2018, the U.S. Department of Housing and Urban Development (HUD) authorized certain statutory suspension and regulatory waivers (Waivers) of Community Planning and Development (CPD) grant programs administered by the County, which include the CDBG and HOME programs. The purpose of the Waivers is to reduce certain regulatory burdens in order to facilitate assistance to persons affected by the Thomas fire and subsequent mud slides (Disasters).

In anticipation of receiving the Waivers, the Community Services Department, Division of Housing and Community Development (HCD) included a set-aside of \$100,000 in CDBG funds for Disaster recovery programs in the Board Letter recommendation for the June 19, 2018 Board Hearing, when CDBG programs were approved by the Board. The Board was advised that staff would return to the Board at a later date on the potential distribution of these disaster recovery funds.

HCD staff included the Waivers in its annual Notice of Funding Availability (NOFA), which was issued on October 12, 2018. Two agencies submitted applications for funding for Disaster Relief, one of the applications was subsequently withdrawn. The Salvation Army is requesting \$100,000 in CDBG Public Services funds for Emergency Grant Payments.

Typically, 15% of the County's CDBG funds may be used to support public services programs. The Waivers increased the public services cap to 40% for FY 2018-19, which permitted the use of an additional 25% of the County CDBG allocation for public services programs. HUD's Waivers did not provide additional funds to the County as a result of the Disasters.

**The Salvation Army - Emergency Grant Payments**

The Salvation Army will administer an Emergency Grants Payments Program, which will provide financial assistance to persons affected by the Disasters for such items as food, clothing, housing (rent or mortgage), utilities or other basic daily needs for a period of up to six months. Generally, Emergency Grant Payments under the CDBG program are limited to a period of up to three months. The Waiver extends the period to six months. Payments will be made to third-party providers and not directly to the families.

In its funding request, The Salvation Army reported that there continues to be a need for longer term assistance. Many families whose homes were damaged or destroyed, or whose income was affected due to a job loss, are in need of further assistance. Also, many families who received assistance under FEMA or other sources are unaware that other forms of assistance are still available.

The Salvation Army expects to serve 20 – 40 families, depending on the amount of assistance each family needs. This amounts to an average of \$2,500 - \$5,000 per family respectively.

**Performance Measure:**

Persons and families who have registered with FEMA in connection with the Disasters are eligible for the Program. Additionally, the Salvation Army will be required to income-qualify persons served by collecting household income information and document that at least 51% of those served by this CDBG grant had household incomes at or below 80% of the area median income as determined and published by HUD annually. The Subrecipient will report on the number of persons or households served and must retain documentation (including income verification, third-party invoices and proof of payment) to indicate that the program was operated in accordance with the CDBG program, 24 CFR 570.201(e).

**Contract Renewals and Performance Outcomes:**

The Waiver is in effect through June 30, 2019; however, the August 20, 2018 HUD Waiver letter contemplates extensions upon request. HCD staff requested an extension, but was advised by HUD to resubmit the extension request closer to the June 30<sup>th</sup> expiration date. Therefore, extending the Waiver and term of the Agreement are anticipated. Upon HUD approval of an extension, such an extension may be executed administratively for up to 6-months as contemplated in the Agreement (Attachment B), and thereafter may reappear for approval on the Board of Supervisors' Administrative agenda.

**Fiscal and Facilities Impacts:**

CDBG funds are allocated to the County on an annual basis from HUD. Federal CDBG funds are awarded to the County as grants. Twenty-percent (20%) of the CDBG grant may be used to cover County costs to administer the federal programs. County general funds are used for a portion of HCD administrative expenses; however, no County funds are being used to fund the Program.

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State			
Federal			\$ 100,000.00
Fees			
Other:			
<b>Total</b>	\$ -	\$ -	\$ 100,000.00

Narrative: The funds have been received from HUD and are available for this Program.

**Key Contract Risks:**

HUD could require the County to repay CDBG funds expended for ineligible expenses with non-federal funds. The Subrecipient agreement specifies HUD eligible expenses and County staff will review each payment request submitted by the Subrecipient to ensure that expenses incurred were for eligible costs. Payments will be provided on a reimbursement basis upon proof of payment for eligible costs to approved third parties. County staff will conduct ongoing monitoring of the Subrecipient to assure that the Program is being administered in accordance with CDBG regulatory requirements.

**Staffing Impacts:**

No new staffing impacts. The Program will be overseen by existing HCD staff.

**Special Instructions:**

1. Please have the Board Chair sign TWO originals of the Agreement (Attachment B) with the Salvation Army.
2. Please provide one original of the Agreement (Attachment B) to James Francis (ext. 3549). Please call for pick-up.
3. Retain one original of the Agreement (Attachment B) for COB files.
4. Please email a copy of the Minute Order to [jfrancis@co.santa-barbara.ca.us](mailto:jfrancis@co.santa-barbara.ca.us).

**Attachments:**

- A. FY 2018-19 Substantial Action Plan Amendment
- B. Subrecipient Agreement with The Salvation Army