

**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: 2/3/04
Department Name: Housing and Comm. Dev.
Department No.: 055
Agenda Date: 2/10/04
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Ed Moses, Director
Housing and Community Development

STAFF CONTACT: Pat Gabel
x3522

SUBJECT: Application for 2004 CDBG funds for the County Housing Assistance Program (4th District)

Recommendation(s):

That the Board of Supervisors:

1. Adopt the attached resolution (Attachment A) approving a \$500,000 CDBG grant application to the State Department of Housing and Community Development and authorizing the Director of the County Department of Housing and Community Development to submit the \$500,000 grant application to the California State Department of Housing and Community Development for funding of the County's Housing Assistance Program.
2. Authorize the Director to sign all documents required for submittal of the CDBG application, execution of the grant agreement, drawdown of funds, submittal of minor amendment requests and grant administration.

Alignment with Board Strategic Plan:

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

Executive Summary and Discussion:

The Homebuyer Assistance Program is a County administered loan program to assist low income homebuyers purchase their first home by filling the financial gap between what a borrower can afford in a first mortgage and downpayment, and the price of the home. The Homebuyer Assistance Program Guidelines

were originally approved by the Board of Supervisors on April 25, 1995 to cover Homebuyer Assistance Programs in all County Housing Market Areas. By July 1997, however, the program targeted only the Santa Maria Housing Market Area including the Vandenberg Village and Tanglewood neighborhoods. The financial gap between what a low income family could afford (first mortgage and downpayment) and the cost of housing on the South Coast had escalated to well over \$250,000, no longer making the program cost effective in those areas. HCD plans on using the CDBG to help finance the purchase of eight homes in the Vandenberg Village and Tanglewood communities by low income households.

The Housing Finance Division of the Department of Housing and Community Development, in conjunction with the City of Santa Maria and recently with the City of Lompoc, have maintained an extremely successful, on-going Homebuyer Assistance Program. All available loan funds have been utilized since July 1997 so that 53 families could purchase their first home. (66 families have purchased homes countywide.)

Under the 2004 cycle of State Community Development Block Grant (CDBG) funding, the County is competing with other eligible non-entitlement applicants throughout the State for approximately \$27 million in General Allocation project monies. The County is eligible to apply for up to \$800,000 in CDBG General Allocation and Economic Development Funds. For the past 5 years, Housing Finance has applied and received \$500,000 each year for housing programs. The remaining \$300,000 of the \$800,000 is available for Economic Development applications. Economic Development Division in Housing and Community Development recently received a \$300,000 CDBG Microenterprise grant.

As part of the County's Citizen Participation Plan, on October 27, 2003 and October 29, 2003, the County sponsored public hearings, during which the State CDBG program and the County activity selection criteria were discussed for a 2004 application. Staff explained that this project would best meet the County activity selection criteria and would be the most competitive in the State process. This hearing before the Board of Supervisors represents the second required public hearing on the 2004 CDBG application.

If the grant is received, the Department of Housing and Community Development, Housing Finance and Development staff will be responsible for its general administration. They will conduct all monitoring, recordkeeping and funding disbursement.

Mandates and Service Levels:

The Housing Finance and Development Program is not mandated; however, acceptance of funds to carry out affordable housing activities requires the County to comply with the conditions attached to those funds. The State will notify applicants for the year 2004 grant awards by May 1, 2004, however meeting state administrative requirements can take an additional six to eight months.

Fiscal and Facilities Impacts:

If the grant is awarded, the County will receive \$500,000 of CDBG funds for downpayment assistance. The administrative costs are already covered by County HOME funds for the existing HAP program. However, the Housing Finance and Development Division of Housing and Community Development will receive \$37,500 in CDBG General Allocation funds for general administration, monitoring and reporting for the CDBG requirements.

Special Instructions:

Enclosed are two copies of the original resolution. Please return one original signed resolution to Lisa Snider.

Concurrence:

None

RESOLUTION OF THE BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA

A RESOLUTION APPROVING AN APPLICATION FOR)
FUNDING FROM THE GENERAL ALLOCATION OF THE)
STATE CDBG PROGRAM AND AUTHORIZING THE)
EXECUTION OF A GRANT AGREEMENT AND ANY)
AMENDMENTS THERETO WITH THE STATE OF)
CALIFORNIA FOR THE PURPOSES OF THIS GRANT)
TO FUND THE COUNTY HOUSING ASSISTANCE)
PROGRAM)

WHEREAS:

- A. The County of Santa Barbara, a political subdivision of the State of California, wishes to apply for and receive an allocation of funds through the General Allocation of the 2004 State of California Community Development Block Grant Program; and
- B. The County has reviewed the citizen participation plan for compliance with federal statutes and has determined that this plan was followed for the development of this application.

IT IS NOW THEREFORE RESOLVED THAT:

- 1. The Board of Supervisors has reviewed and hereby approves an application for up to:
 - a. Downpayment assistance to low income first time homebuyers- \$460,000.
 - b. General Administration - \$40,000
- 2. Santa Barbara County will commit a total of \$2,500 of County staff time in support of County Housing Assistance Program.
- 3. The \$462,500 will be allocated to the eight first time homebuyers in the form of loans.
- 4. The Director of Housing and Community Development is hereby authorized and directed to act on the County's behalf in all matters pertaining to this application.
- 5. If the application is approved, the Director is authorized to enter into and sign the grant agreement *and any minor subsequent amendments* with the State of California for the purposes of this grant.

PASSED, APPROVED, AND ADOPTED, by the Board of Supervisors of the County of Santa Barbara, State of California, on _____ day of _____, 2004 by the following vote.

AYES:

NOES:

ABSENT:

Chair of the Board of Supervisors
County of Santa Barbara

ATTEST:

Michael Brown
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM:
STEPHEN SHANE STARK
County Counsel

By: _____
County Counsel

APPROVED AS TO FORM
ROBERT W. GEIS
Auditor - Controller

By: _____