



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.: 057
For Agenda Of: October 17, 2023
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department George Chapjian, Community Services Director (805) 568-2467
Director(s)
Contact Info: Laurie Baker, Housing and Programs Manager (805) 568-3521
SUBJECT: Execution of State of California Permanent Local Housing Allocation (PLHA) Subrecipient Agreement with Habitat for Humanity of Southern Santa Barbara County

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair of the Board of Supervisors to execute a subrecipient agreement (Agreement) for the distribution of \$75,000 in State of California Permanent Local Housing Allocation (PLHA) grant funds to Habitat for Humanity of Southern Santa Barbara County, Inc. for administration of a Minor Home Repair Program for a term that begins on the date of the Agreement's execution and ends June 30, 2024 (Attachment A); and
- b) Authorize the County's Community Services Department Director, or his designee, to approve and execute amendments to the Agreement, as necessary, to revise budget line items, extend the term by up to 12 months, and to approve necessary administrative changes to the Agreement that are necessary to conform with Federal, State, and local laws, guidelines, policies, and funding amounts; and
- c) Determine that the approval of the above recommended actions is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(4) since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

PLHA Subrecipient Agreement with Habitat for Humanity of Southern Santa Barbara County

Summary Text:

Staff is recommending that the Board of Supervisors approve and authorize the Chair to execute a PLHA subrecipient agreement with Habitat for Humanity of Southern Santa Barbara County, Inc. (Habitat for Humanity) to provide \$75,000 to operate a Minor Home Repair Program through June 30, 2024 (Attachment A).

Habitat for Humanity will operate a Minor Home Repair Program in southern Santa Barbara County (excluding the City of Santa Barbara) that will provide critical home repairs to low-income homeowners. Repairs include, but are not limited to, wheelchair accommodations, bathroom adaptations, kitchen repairs, roof replacement, stairway replacement, furnace replacement, and weatherization of windows and doors, with an anticipated budget of \$10,000 to \$20,000 per home.

Background:

The State's PLHA program was created in 2017 via Senate Bill 2, the Building Homes and Jobs Act (SB 2), which established a \$75 recording fee on certain real estate documents and a permanent source of funding intended to increase the affordable housing stock in California. The revenue from SB 2 will vary from year to year, as revenue is dependent on certain real estate recordation transactions with fluctuating activity. The legislation directs the California Department of Housing and Community Development (Department) to use seventy percent (70%) of the revenue collected, beginning in calendar year 2019, to fund the PLHA program. The allocation formula is based on the 2017 allocation formula of the Federal Community Development Block Grant (CDBG) program.

On July 7, 2020, the County of Santa Barbara's Board of Supervisors passed and adopted Resolution No. 20-127, allowing the Director of the County's Community Services Department to apply for, receive, and administer PLHA funds for the Santa Barbara County PLHA Consortium (Consortium), which includes the County of Santa Barbara and the Cities of Goleta and Santa Maria. The Consortium executed an agreement that authorizes the County to act as the Administering Jurisdiction to apply for and administer PLHA funds on the Consortium's behalf.

The PLHA program guidelines authorize a number of eligible activities, four of which were selected by the Consortium and included in a 5-year plan submitted to the State. The County retains 5% of the Consortium's allocations to cover administrative costs. The four Eligible Activities are as follows:

1. Activity 301(a)1: Forty five percent (45%) of the PLHA funds will be allocated toward the predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low, very low, low-, and moderate-income households, including necessary operating subsidies.
2. Activity 301(a)2: Ten percent (10%) of the PLHA funds will support the predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120-percent of Area Median Income (AMI), or 150-percent of AMI in high-cost areas.
3. Activity 301(a)6: Thirty percent (30%) of the PLHA funds will be used for assisting persons who are experiencing or are at risk of homelessness, including, but not limited to, providing rapid

PLHA Subrecipient Agreement with Habitat for Humanity of Southern Santa Barbara County

rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

4. Activity 301(a)9: Fifteen percent (15%) of the PLHA funds will be used to provide homeownership opportunities, including, but not limited to, down payment assistance.

Habitat for Humanity Minor Home Repair Program

The Low-Income Homeowner Minor Home Repair Program (Program) falls under State Eligible Activity 301(a)(2). The Program will be administered by Habitat for Humanity and will provide critical home repairs to low-income homeowners. The Program permits low-income individuals, families, and seniors to remain safely in their homes by correcting or preventing conditions that could create an unsafe, unsanitary, or inaccessible living environment. The type and extent of repairs provided depends on the condition of the homes and the needs of the households. Examples of critical home repairs include, but are not limited to, the following:

- Doorway widening to accommodate wheelchairs
- Bathroom adaptations
- Kitchen repairs
- Roof replacement
- Replacing deteriorated stairs into house
- Adding handrails
- Adding accessible showers
- Replacing furnaces
- Weatherization repairs on windows and doors

The average critical repair costs between \$10,000 and \$20,000 per home, as the cost of permits, professional labor, and materials varies depending on the needs and scope of the project. Habitat for Humanity leverages community support for donations of in-kind materials and professional labor to reduce project costs and allow a greater number of projects to be completed.

During FY 2021-22 and FY 2022-23, Habitat for Humanity received a total of \$80,000 in CDBG funds and \$100,000 in PLHA funds from the County to operate this Program. To date, repairs of nine (9) homes have been completed. An award of additional PLHA funds will enable Habitat for Humanity to continue operating its Home Repair Program through 2024.

The Program's service area is southern Santa Barbara County, defined as the area within Santa Barbara County south of the Santa Ynez Mountains, excluding the city of Santa Barbara (the city of Santa Barbara also receives PLHA funds from the State).

PLHA Subrecipient Agreement with Habitat for Humanity of Southern Santa Barbara County

The Program will serve households with an annual income at or below 80% of Area Median Income (AMI). The typical client of Habitat for Humanity’s Home Repair Program is 65 years old with an income of under \$20,000 (less than 30% AMI).

Performance Measure:

The Minor Home Repair Program will provide repairs to an estimated 5-10 households with the \$75,000 to be awarded through this Agreement. Exhibit A of the Agreement includes a detailed scope of work. Habitat for Humanity will report to the County Housing and Community Development Division (HCD) monthly regarding its progress to ensure it is meeting its stated goals.

Funds under the Agreement will be provided to Habitat for Humanity on a reimbursement basis, and HCD staff will ensure that project expenses are allowable per PLHA regulations and County policies.

Contract Renewals and Performance Outcomes:

N/A

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			\$ 75,000.00
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ 75,000.00

Key Contract Risks:

The County assumes responsibility for the administration of PLHA funds in accordance with all State requirements governing their use. In addition, the County would be held liable if it or any provider to which it sub-grants funds is found to be non-compliant with applicable requirements. Habitat for Humanity has successfully administered its Minor Home Repair Program for many years.

The Agreement is a cost-reimbursement contract. The County will only reimburse costs that are eligible under the Agreement and documented in accordance with County procedures. HCD staff will monitor the performance of the subrecipient, Habitat for Humanity.

PLHA Subrecipient Agreement with Habitat for Humanity of Southern Santa Barbara County

Staffing Impacts:

HCD staff will administer the Agreement.

Special Instructions:

1. Please execute two originals of the Agreement (Attachment A). Retain one original for COB records and return one original to James Francis. Call for pick up at 83549.
2. Please return one copy of the Minute Order to James Francis at jfrancis@countyofsb.org.

Attachments:

- A) Subrecipient Agreement for Habitat for Humanity of Southern Santa Barbara County

Authored by:

James Francis, Senior Housing Programs Specialist