

ATTACHMENT B

RESOLUTION NO. 2017- 148

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE REPROGRAMMING OF HOME FUNDS TO PEOPLES' SELF-HELP HOUSING FOR THE SIERRA MADRE COTTAGES PROJECT

WHEREAS, HOME Investment Partnerships (HOME) is a Federal program that funds a variety of activities aimed at providing affordable housing for low and moderate income households; and

WHEREAS, the program is administered by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the City has participated in the HOME program, as part of a consortium with the County, since the program's inception in 1995; and

WHEREAS, Santa Barbara County is the lead agency and fiscal agent for the Consortium and the City is under contract with the County Consortium as both a participating jurisdiction and a subrecipient; and

WHEREAS, the City is currently using its HOME funds for its Tenant Based Rental Assistance (TBRA) program; and

WHEREAS, the lack of affordable rental housing in the City (the overall vacancy rate in Santa Maria was estimated at 3.9 percent as of August 2016) has resulted in an excess availability of HOME funds for the TBRA program such that the City has only expended a little over \$6,700 and assisted 16 households since July 2017; and

WHEREAS, at this current rate, the City will only spend a little over \$16,000 and assist 32 households during one (1) full fiscal year; and

WHEREAS, the City's available HOME funds in the amount of \$252,651 must be expended by September 2019 or they will have to be returned to HUD; and

WHEREAS, as of November 30, 2017, the City has only expended \$20,970 of its available HOME funds and still has \$231,681 to spend, and at the City's current expenditure rate, the City will be unable to spend all of the available HOME funds before September 2019, which could result in the recapture of the funds by HUD; and

WHEREAS, based on the current expenditure rate of funding for the TBRA program, approximately \$150,000 in TBRA funding will likely remain unspent, making it available for reprogramming for other uses; and

WHEREAS, providing affordable housing is an appropriate use of reprogrammed HOME funds; and

WHEREAS, City staff, in cooperation with the County, has recommended that the unused HOME funds be reprogrammed to Peoples' Self-Help Housing's (PSHH) Sierra Madre Cottages project, which consists of a 40-unit affordable multi-family senior housing development with 1 and 2-bedroom units ranging in size from 700 to 900 square feet for which rents will be restricted to 50 and 60 percent of area median income (AMI); and

WHEREAS, the funding will allow PSHH to be in a better position to compete with others for State tax credits.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Santa Maria, California, as follows:

1. The use of HOME funds be used to assist with the development of affordable housing, which said funds are unlikely to be spent through the TBRA program given the current expenditure rates, and
2. City staff is authorized to reprogram \$150,000 in TBRA funding towards PSHH's Sierra Madres Cottages project; and
3. The Chief Deputy City Clerk is authorized and directed to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained. In doing so, the Chief Deputy City Clerk shall consult with the City Manager and City Attorney concerning any changes deemed necessary.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Santa Maria held this 19th day of December 2017.

/s/ ALICE M. PATINO

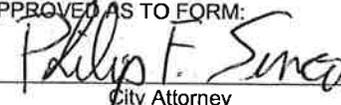
ATTEST:

Mayor

/s/ RHONDA M. GARIETZ, CMC

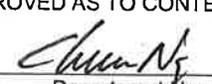
Chief Deputy City Clerk

APPROVED AS TO FORM:

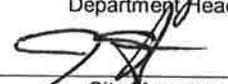


City Attorney

APPROVED AS TO CONTENT:



Department Head



City Manager

