



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: Housing & Community
Development
Department No.: 055
For Agenda Of: 7/7/2009
Placement: Set Hearing
Estimated Tme: 45 Minutes on
7/14/2009
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department John McInnes, 568-3552
Director(s)
Contact Info: Carlos Jimenez, 568-3523

SUBJECT: **Approval and Submittal of 2009-2010 Santa Barbara County HOME Consortium
and CDBG Urban County Partnership Annual Action Plan**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors set a hearing for July 14, 2009 to:

- a.) Adopt a Resolution approving the Santa Barbara County HOME Consortium and Community Development Block Grant (CDBG) Urban County Partnership's 2009-2010 Annual Action Plan for submittal to the U.S. Department of Housing and Urban Development; and
- b.) Authorize the County Executive Officer to execute all certifications, standard forms and other related documents required for HOME and CDBG Program administration and implementation pursuant to submittal and approval of the 2009-2010 Annual Action Plan.

Summary Text:

The 2009-2010 Annual Action Plan (Action Plan) represents an annual update to both the 2006-2010 HOME Consortium Consolidated Plan, which was adopted by the Board of Supervisors on May 10, 2005, and the 2007-2010 CDBG Urban County Partnership Consolidated Plan, adopted by the Board of Supervisors on May 22, 2007. As the lead agency in the HOME Consortium and Community Development Block Grant (CDBG) Urban County Partnership, the County of Santa Barbara (County) is responsible for the submittal of this annual update to the Consolidated Plans, as required by federal statute.

Background:

The County of Santa Barbara serves as the lead agency in two federal funding partnerships: 1) the ***CDBG Santa Barbara Urban County Partnership***, the members of which include the cities of Buellton, Carpinteria, Lompoc, Solvang and the County; and 2) the ***Santa Barbara County HOME Consortium***, which includes all members of the CDBG Urban County in addition to the cities of Goleta and Santa Maria. As the lead agency, the County assumes responsibility for HOME and CDBG program funding administration, oversight and regulatory compliance. The development, approval and subsequent implementation of the Action Plan are mandated elements of the HOME and CDBG Programs. The Action Plan (Attachment F) details the partnerships' allocations and uses of funds to expand the availability of affordable housing and community development projects and programs.

The member cities of the HOME and CDBG partnerships have sole authority over award of their allocations to projects and/or programs, and the respective city councils serve as the authorizing body of final awards and inclusion thereof in the Action Plan. Therefore, the allocation of city funding to projects has already received final approval. Projects receiving an allocation of County funding have received preliminary reservations by the Affordable Housing Loan Committee, HCD Director, and CDBG Human Services Committee, and are subject to Board of Supervisors' final approval. All projects recommended for funding are consistent with the strategies, goals and priority needs articulated in the respective Consolidated Plans.

Funding Application Process – County HCD annually publishes a Notice of Funds Available (NOFA) for funding received under the partnerships articulated above. Funding allocations for the cities of Solvang, Buellton, Carpinteria and Goleta, in addition to the County, are announced and applications solicited. Funding allocations for the cities of Lompoc and Santa Maria are not advertised under the County's NOFA, as these cities administer their own NOFA process.

Funding available for allocation to projects through the County NOFA was publicly announced on December 5th, 2008. The NOFA and associated funding applications were emailed to a comprehensive list of interested organizations eligible to receive and utilize the funding available, and a NOFA public announcement was published in four news publications throughout the County. Prior to the release of the NOFA, HCD staff conducted community needs assessment forums in Santa Maria and Santa Barbara to receive input from the public and local organizations, and to discuss the availability of funding through the 2009 NOFA.

HOME Consortium – For Program Year 2009-2010, the County received \$258,371 in HOME Program funds for program administration. A total of \$1,523,496 was available for allocation to affordable housing projects and distributed among the HOME Consortium member cities. After allocations for the cities of Santa Maria and Lompoc were deducted, a total of \$927,351 in HOME funds was made available under the County's NOFA, \$121,909 of which was allocated to projects in the cities of Goleta and Carpinteria, leaving \$805,442 for County projects.

A total of seven (7) applications were received under the County's NOFA for HOME funds totaling \$2,596,000 in funding requests. In consultation with a review committee comprised of City of Santa Barbara HOME Program staff and a County of Santa Barbara General Services Real Estate Services Manager, HCD staff analyzed the applications and forwarded funding recommendations to the Affordable Housing Loan Committee (Loan Committee), a Board approved Brown Act Committee. The Loan Committee approved the HOME funding recommendations at their February 25, 2009 meeting,

which have been included in the Action Plan presented for Board approval. Details of the Loan Committee's HOME funding reservations, including the HOME Consortium member cities reservations, are provided as Attachment D.

CDBG Urban County – For Program Year 2009-2010, HUD allocated \$2,020,535 to the Santa Barbara CDBG Urban County. After deducting administration funds, a total of \$1,616,428 was available for allocation to programs and projects through the 2009 NOFA and distributed among the Urban County member cities. CDBG allocations for the County and cities of Buellton, Carpinteria and Solvang were announced in the County's NOFA, while the City of Lompoc publishes a separate NOFA for their allocation of CDBG funds.

⇒ Human Services Programs – Under the CDBG Program a portion of the grant allocation may be used for Human Services Programs. After deducting the City of Lompoc's allocation, a total of \$164,861 in CDBG was made available for human services programs under the County's NOFA, \$38,358 of which was allocated to the cities of Carpinteria, Buellton and Solvang, leaving \$126,503 for County programs. A human services review committee evaluated applications submitted for County funds and interviewed applicants over a period of three days. The review committee was comprised of a staff member of the County Human Services Commission, a retired CDBG program administrator from the City of Santa Barbara, and a local volunteer who assists non-profit groups in the Lompoc Valley. The committee's funding reservations are included in Attachment D. Each of the CDBG Urban County member cities have similar review committees that evaluate city applications and subsequently recommend programs for funding, which have since been approved by the respective city councils.

⇒ Capital Projects – After deducting the allocations for the cities of Lompoc and Carpinteria, a total of \$835,772 in CDBG funds is available to fund County capital projects, such as public facilities, structure rehabilitation, property acquisition and economic development activities. The County received seven (7) applications for capital project funding totaling \$1,420,000 in requests. HCD staff evaluated all applications and developed recommendations based on several criteria, including CDBG program eligibility, project readiness and financial feasibility. A CDBG Capital Project Evaluation Matrix illustrating individual project review and evaluation is provided as Attachment E and proposed funding reservations are shown in Attachment D.

Emergency Shelter Grant (ESG) funds were also made available through the County's 2009 NOFA. ESG funds are utilized for homeless prevention activities, shelter operations and essential services. Of the \$84,430 available, the County received five (5) applications totaling \$171,900 in requests. The applications were evaluated by the human services review committee utilized for the CDBG human services funds, and all applicants received some level of funding. The 2009-2010 ESG funding reservations can be found in Attachment D.

Conclusion

The Action Plan serves as the HOME Consortium and Urban County's annual application for federal HUD funding. While this document is typically presented to the Board of Supervisors and submitted to HUD in May each year, a substantial delay in the release of HUD's 2009-2010 budget subsequently resulted in the County's request to HUD for a deadline extension and postponed submittal of the Action Plan. The deadline extension provisions stipulate that HUD must receive the Action Plan by August 16, 2009. Accordingly, the Action Plan will be submitted following the Board's approval in order to remain in compliance with statutory requirements and continue receiving HUD funds.

As noted above, the HOME Consortium and Urban County member cities have sole authority over the use of their allocations of funding and all city allocations to projects and/or programs have been approved by the respective city councils. Board approval of the Action Plan and projects identified therein will allow the County to submit this document to HUD on behalf of the HOME and CDBG partnerships.

Performance Measure:

Safe and Healthy Families: Housing for all Segments of the Population; 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.

Fiscal and Facilities Impacts:

Budgeted: Yes – Clarifying notation: Submission to and approval by HUD of the Annual Action Plan is required for receipt of the Federal HOME, CDBG and ESG funds. The Housing Development and Grants Administration budget can be found on pages D253 – D263 of the 2009-2010 Proposed Budget.

Fiscal Analysis:

Funds are “pass-through” to organizations providing affordable housing and housing-related activities (HOME), community development projects and programs (CDBG), and homeless services and shelters (ESG). The County retains 10% of HOME funds for grant administration and an additional 5% for program/project implementation expenses, 20% of CDBG funds for administration and 2 ½ % of ESG funds for administration.

Staffing Impacts:

N/A

Special Instructions:

Please execute three (3) original resolutions; three (3) original SF 424 – Application for Federal Funding, and three (3) sets of Certifications and call Miriam (3529) or Brooke (3521) to pick up two (2) original sets of each document.

Attachments:

- A. Authorizing Resolution
- B. Annual Action Plan Certification Form(s)
- C. SF 424 – Application for Federal Funding
- D. Project Funding Tables
- E. CDBG Capital Project Evaluation Matrix
- F. 2009-2010 Annual Action Plan

Authored by: Brooke Welch, Sr. Housing Program Specialist, ext. 3521