



**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  
**Department No.:** 057  
**For Agenda Of:** January 26, 2021  
**Placement:** Administrative  
**Estimated Time:**  
**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: Dinah Lockhart, Deputy Director (805) 568-3523  
Laurie Baker, Grants & Program Manager (805) 568-3521

**SUBJECT:** **Approval and Execution of Amendment to HOME Tenant Based Rental Assistance Subrecipient Agreement with the City of Santa Maria (Supervisory District 5)**

**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 an original and duplicate original of an Amendment (Attachment A) to the existing Subrecipient Agreement between the County and the City of Santa Maria (“City”) that increases the amount of federal HOME funding by \$139,927 from \$230,732 to \$370,659, to administer Tenant Based Rental Assistance (TBRA); and
- B. Determine that the proposed action is exempt from the California Environmental Quality Act (CEQA) guidelines, pursuant to Section 15378(b)(4), finding that the action is a 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 City of Santa Maria is a member of the Santa Barbara County HOME Consortium and receives a sub-allocation of the County’s HOME funds to use in its community. The City will use a portion of its HOME

funds for a Tenant-Based Rental Assistance (TBRA) program to provide security deposits. The 2018 Subrecipient Agreement between the County and City is being amended to add \$139,927 from \$230,732 to \$370,659. The additional funds are from the City’s 2020-21 HOME Consortium allocation.

**Background:**

The County of Santa Barbara serves as lead agency for the local HOME Consortium, which includes the County and the cities of Buellton, Carpinteria, Goleta, Solvang, Lompoc and Santa Maria. On April 7, 2020, the Santa Maria City Council authorized the County of Santa Barbara to use a portion of the City’s 2020-21 HOME funds for a TBRA program for area residents (Attachment C)<sup>1</sup>. The City of Santa Maria has operated a TBRA program since 2006 using HOME Investment Partnerships Program (HOME) funds to assist low-income individuals attain affordable rental housing. On December 11, 2018 the Board approved and executed the Subrecipient Agreement with the City for \$100,000 in HOME funds for its TBRA program. On December 18, 2019 the Board approved and executed the First Amendment to Subrecipient Agreement with the City, adding \$130,732 to the 2018 Agreement. The recommended actions are to again amend the 2018 TBRA Subrecipient Agreement with the City to include an additional \$139,927 from the City’s 2020-21 HOME Consortium allocation, for a total contract amount of \$370,659.

**Performance Measure:**

The additional \$139,927 in funds will serve approximately 50 low-income households. These households might not otherwise be able to afford decent, safe, affordable housing. The TBRA subrecipient agreement with the City of Santa Maria provides that the City is responsible for ensuring that the HUD HOME TBRA regulations are followed in accordance with 24 CFR Part 92 including but not limited to, qualifying tenant income, ensuring allowable rents and lease terms, inspections of units for Housing Quality Standards (HQS) 24 CFR 982.401 or the successor requirements as established by HUD for units under the TBRA program, and inspections for lead-based paint per 24 CFR Part 35.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**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			\$139,927
Fees			
Other:			
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 139,927.00</b>

Narrative: While the 2018 Subrecipient Agreement is being amended to add \$139,927 in FY 2020-21 federal HOME funds, the FY 2020-21 Action Plan approved by the Board on May 5, 2020 included \$140,000 for Santa Maria’s TBRA program. The \$73 reduction is the result of an error in HUD’s

<sup>1</sup> The City Council authorized \$140,000 for TBRA based on an estimated HOME allocation. On November 6, 2020 HUD confirmed the actual HOME allocation to be \$73 less than what was estimated due to an error in HUD’s allocation formula. The City Council’s resolution provides at Paragraph 3 that “If the actual allocation of HOME funds to the City of Santa Maria is less than estimated, then the amount designated to TBRA will be reduced accordingly”.

allocation formula. Staff time required to administer and monitor the Housing Authority's and other TBRA programs are included in the HCD HOME program budget.

**Key Contract Risks:**

HUD could require the County to repay HOME 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 City to ensure that expenses incurred were for eligible costs. HOME funds will be provided to the City on a reimbursement basis. County staff will conduct annual monitoring to assure that the program is being administered in accordance with HOME regulatory requirements.

**Staffing Impacts:**

Current HCD staff will administer the subrecipient agreement.

**Special Instructions:**

1. Please return one copy of the Minute Order to Sarah Brasel at [sbrasel@co.santa-barbara.ca.us](mailto:sbrasel@co.santa-barbara.ca.us).
2. Please return one executed copy of the Agreement to Sarah Brasel at [sbrasel@co.santa-barbara.ca.us](mailto:sbrasel@co.santa-barbara.ca.us), ext. 82468.
3. Please retain the executed original of the Agreement for COB records.

**Attachments:**

- A: Agreement Second Amendment
- B: City Council Resolution