



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: HCD
Department No.: 055
For Agenda Of: June 16, 2009
Placement: Administrative
Estimated Tme:
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: HOME Reservation Agreements

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Authorize the Chair to execute two HOME Reservation Agreements which will evidence the reservation of county HOME entitlement funding to the following projects:
 - a. Good Samaritan Shelters, Incorporated in the amount of \$778,201 for future construction of Casa de Familia, a 16-unit affordable apartment rental development (Fifth District) (Attachment A); and
 - b. Peoples' Self-Help Housing Corporation in the amount of \$560,698 for land acquisition pursuant to Dahlia Court Apartments' future expansion providing up to 35 new affordable rental units (First District). (Attachment B).

Summary Text:

The projects identified above received preliminary reservations of federal HOME Investment Partnerships Program ("HOME") funds with Board approval of Santa Barbara County's Annual Action Plan submittal to HUD in May of 2007 and 2008. The HOME Program statute requires that jurisdictions reserve not less than fifteen percent (15%) of funds for investment only in housing to be developed, sponsored or owned by community housing development organizations ("CHDO") and execute a written agreement reserving a specific amount of funds to such organization within 24 months of the funds being made available to a jurisdiction. Failure to formally reserve funds to projects sponsored by CHDOs within the allowable two-year period may result in recapture of HOME funds by the U.S. Department of Housing and Urban Development ("HUD"). The Board's authorization of

execution of the subject Agreements will satisfy the two-year funds reservation requirement specific to CHDO-sponsored projects under the HOME Program regulations.

Background:

The County of Santa Barbara Housing and Community Development Department (HCD) is the lead administrative agency in the Santa Barbara County HOME Consortium, which receives HOME funds on an entitlement basis for the development of affordable housing. Each year County HCD prepares an annual update to the Consolidated Plan known as the Annual Action Plan. The Annual Action Plan is submitted to HUD every May, constituting the County’s application for federal funding. Prior to submission to HUD, the Action Plan and all projects identified therein are approved by the Board of Supervisors.

County HCD enters into HOME Reservation Agreements with CHDOs having received preliminary reservation of funds under an Action Plan, which evidences the formal reservation of HOME funds to CHDO-sponsored local projects. The two projects identified in the subject Agreements are sponsored by local CHDOS: *Peoples’ Self – Help Housing Corporation* and *Good Samaritan Shelters, Inc.* A CHDO is a specific type of non-profit organization under the HOME Program, as defined in section 92.2 of the HOME final rule, which has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons. Execution of the Agreements is an administrative action satisfying HOME program regulatory requirements.

These two agreements are not subject to California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA) review, because they do not commit the County to the projects. Rather, they reserve the funds to be committed through future Board action. A CEQA and NEPA compliance condition is also included in both Reservation Agreements.

Performance Measure:

Housing for all segments of the population.

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			
Federal	\$ 1,338,889.00		
Fees			
Other:			
Total	\$ 1,338,889.00	\$ -	\$ -

Narrative:

Ten percent (10%) of all HOME Program funds received are retained by the County for administration of the HOME Program, including preparation and execution of the Reservation Agreements.

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions:

Execute three (3) original copies of each HOME Reservation Agreement and contact Brooke Welch at ext. 3521 to pick up two (2) original copies of each Agreement.

Attachments:

- A) HOME Reservation Agreement for Good Samaritan Shelters, Incorporated – Casa de Familia.
- B) HOME Reservation Agreement for Peoples' Self-Help Housing Corporation – Dahlia Court Expansion Project.

Authored by: Brooke Welch, Sr. Housing Program Specialist

cc: