



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: June 23, 2015
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Renée E. Bahl, Interim Community Services Director (805) 568-2467
Director(s)
Contact Info: Phil Willis-Conger, Housing Program Specialist II (805) 568-3549
Laurie Baker, Grants and Program Manager (805) 568-3521

SUBJECT: Approve a Sub-recipient Agreement with the city of Santa Maria to administer a HOME funded Tenant Based Rental Assistance program in the City of Santa Maria (Districts 4 and 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 the Sub-recipient Agreement (Attachment A) in the amount of \$252,651 with the City of Santa Maria to administer a Tenant Based Rental Assistance (TBRA) program funded through the County HOME Consortium, and approved by Santa Maria's City Council; 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 a governmental funding mechanism or other government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and direct staff to file a Notice of Exemption (Attachment B).

Summary Text:

The County of Santa Barbara serves as a lead agency for the local HOME Consortium that receives HOME Investment Partnerships funds (HOME) from the U.S. Department of Housing and Urban Development (HUD). The purpose of HOME funding is to expand the supply of affordable housing to low income households. The City of Santa Maria (City) has been a member of the County HOME

Consortium since 1994. The City will use its allocation of \$252,651 in FY 2014-15 HOME funds for a Tenant Based Rental Assistance (TBRA) program that will provide security deposit payments on behalf of eligible low income households. The Sub-recipient agreement also will permit Santa Maria to provide utility deposits and monthly rental assistance payments.

Background:

The City has previously administered a TBRA program utilizing HOME funds. The FY 2014-15 HOME funds will be used to continue the City's TBRA program. The proposed \$252,651 TBRA contract is in addition to an existing City FY 2013-14 TBRA contract for \$60,000 approved by the Board in July, 2014, that will provide security deposits for an estimated 75 households. The use of the City's HOME funds for a TBRA program was included in the County's FY 2014-15 Action Plan.

Key Elements of Subrecipient Agreement:

As a HOME sub-recipient, the City will be responsible for marketing the program, accepting applications from tenants, determining tenant eligibility and documenting compliance with HOME program regulations. Examples of requirements include:

- Tenants' household income cannot exceed 60% of Area Median Income (AMI) published annually by HUD which, for 2015, is set at \$48,120 for a family of four.
- Rental units must meet federal Housing Quality Standards (HQS).
- Utility deposits cannot exceed two times the amount of the TBRA tenant's monthly rent and the monthly rent cannot exceed the area's Fair Market Rent, as determined annually by HUD.
- The lease executed between the landlord and TBRA tenant must be in compliance with HOME lease provisions.

The City will be responsible for maintaining records on the eligibility of households and other regulatory compliance and making records available for County and HUD's review.

Performance Measure:

The City of Santa Maria has used its allocation of HOME funds for TBRA programs since 2010. From September 2010 to October 2014 the program helped 599 low-income households find decent, affordable housing. Based on an estimate of the average security deposit payment of approximately \$800, the City expects to provide security deposit assistance through this contract to 315 households that might otherwise not be able to find decent, safe, affordable housing.

Fiscal and Facilities Impacts:

Budgeted: Yes. The County received an allocation of \$937,493 in HOME funds for FY 2014-15, which is distributed to HOME Consortium member cities on a pro-rata share basis. The City of Santa Maria is using its share of HOME funds for the TBRA program, and it was included in the FY 2014-15 Action Plan.

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 (HOME)			\$ 252,651.00
Fees			
Other:			
Total	\$ -	\$ -	\$ 252,651.00

Key Contract Risks:

HUD could require the County to repay HOME funds expended for ineligible expenses with non-federal funds. The Sub-recipient agreement specifies 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 and payments made by the City for ineligible costs will not be reimbursed. Further, County staff will conduct annual on-site monitoring to assure that the program is being administered in accordance with HOME regulatory requirements.

Staffing Impacts:

No staffing impacts are expected. Present HCD (Housing and Community Development) staff will administer the contract.

Special Instructions:

- Execute two (2) original copies of Attachment A and one certified copy, and leave at COB front desk for pick up. Contact Phil Willis-Conger, 503-568-3549 PWillis-Conger@sbccsd.org, when ready for pick up.
- Provide a copy of the minute order reflecting Board Action

Attachments:

- A) Subrecipient Agreement
- B) CEQA Notice of Exemption

Authored by:

Phil Willis-Conger, Housing Program Specialist II

cc: Renée E. Bahl, Interim Community Services Director
Dinah Lockhart, Deputy Director, HCD