



**BOARD OF SUPERVISORS  
AGENDA LETTER**

Agenda Number:

A-25

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Community Services  
**Department No.:** 057  
**For Agenda Of:** Set Hearing on 4/5/16  
for 4/19/16  
**Placement:** Administrative (on  
4/5/16)  
Departmental (on  
4/19/16)  
**Estimated Time:** 30 minutes (on 4/19/16)  
**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:  
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523

**SUBJECT:** Set Hearing for the draft FY 2016-17 Action Plan for the use of Federal Funds under the Community Development Block Grant, HOME Investments Partnership Program, and Emergency Solutions Grants Program, and for the draft FY 2012-13 and FY 2014-15 Annual Action Plan Substantial Amendments to reprogram prior year unspent federal funds under the HOME Investment Partnerships and Community Development Block Grant Programs

**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Risk Management**

As to form: Yes

**Recommended Actions:**

On April 5, 2016, the County Board of Supervisors will set a public hearing for April 19, 2016 to review draft FY 2012-13 and FY 2014-15 Action Plan Substantial Amendments (Amendments), and the draft FY 2016-17 Action Plan (Action Plan). The draft Action Plan will include recommendations for the use of federal funds under the HOME Investment Partnership (HOME), Community Development Block Grant (CDBG), and Emergency Solutions Grant (ESG) programs. The draft Amendments and draft Action Plan will be made available for a thirty (30) day public review period from March 18, 2016 through the end of the public hearing on April 19, 2016.

On April 19, 2016 your Board's actions should include the following:

- A. Receive a staff report on the Santa Barbara County HOME Consortium and Santa Barbara CDBG Urban County Partnership draft Amendments and draft Action Plan and annual

Notice of Funding Availability process, including recommendations for the award of HOME, CDBG, and ESG funding;

- B. Consider staff recommendations for funding contained in the draft Action Plan and draft Amendments;
- C. Consider public comments received on the draft Amendments and draft Action Plan during the thirty (30) day public comment period, which commenced on March 18, 2016 and concludes at the end of the public hearing on April 19, 2016 ; and
- D. Direct staff to finalize the draft Amendments and draft Action Plan and return to the Board on May 3, 2016 to approve the Amendments and the Action Plan for submission to the U.S. Department of Housing and Urban Development (HUD).

On May 3, 2016, Board actions should include the following:

- A. Approve the Action Plan and Amendments to reprogram unspent CDBG funds, and to add the use of HOME funds for Tenant-Based Rental Assistance by the Housing Authority of Santa Barbara County, Transition House, and PATH Santa Barbara;
- B. Adopt a Resolution authorizing submittal of the Amendments and Action Plan to HUD;
- C. Authorize the County Executive Officer or her designee to execute all certifications, standard forms and other related documents required for the acceptance and administration of CDBG, HOME, and ESG funds and authorize the County Executive Officer or her designee to execute all certifications, standard forms, and other related documents required for the submittal to and approval by HUD of the Amendments and Action Plan; and
- D. Determine that the acceptance and approval of the Amendments and Action Plan are not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the project 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 physical impact on the environment, and direct staff to file a Notice of Exemption.

**Summary Text:**

***Fiscal Year 2012-13 and 2014-15 Action Plan Substantial Amendments Summary***

The County Board of Supervisors (Board) approved the Annual Action Plans and the related housing and community development activities contained therein in Fiscal Year (FY) 2012-13 and FY 2014-15. The purpose of the FY 2012-13 and FY 2014-15 Substantial Amendments (Amendments) is to:

- A. Re-program \$175,543 of unspent FY 2014-15 Community Development Block Grant (CDBG) funds to capital development projects and micro-economic development projects; and

- B. Re-program \$430,000 of uncommitted FY 2012-13 and FY 2014-15 HOME Investment Partnership (HOME) funds for use under the Tenant Based Rental Assistance (TBRA) program to eligible subrecipients.

***Fiscal Year 2016-17 Action Plan Summary***

The FY 2016-17 Action Plan (Action Plan) represents the County of Santa Barbara's (County) federal grant application to the U.S. Department of Housing and Urban Development (HUD) for the 2016-17 program year. It also serves as the Santa Barbara County HOME Consortium and Santa Barbara CDBG Urban County Partnership operating plan for the receipt and expenditure of federal entitlement funding provided to the County by HUD. For FY 2016-17, the County will receive the following grant allocation amounts for CDBG, HOME, and the Emergency Solutions Grant (ESG):

- A. \$1,074,934 for the CDBG program
- B. \$730,682 for the HOME program
- C. \$142,614 for the ESG program

The County is required to draft an Action Plan in each year of the 2015-2020 Consolidated Plan period. Action Plans must be approved by the Board and then submitted to HUD. At the April 19, 2016 public hearing, the Board will be asked to provide direction to staff on funding recommendations for projects and programs. Once direction is provided to staff, the draft Action Plan will be revised consistent with those directions, and presented to the Board on May 3, 2016 for final approval and submitted to HUD by the deadline of May 16, 2016. Once the Action Plan is reviewed and approved by HUD, and the entitlement contracts are executed by the County and HUD, the County, in cooperation with its partner cities, will implement the programs and projects contained therein.

In FY 2016-17, the County and its partner cities will receive an annual allocation of CDBG (\$1,074,934), ESG (\$142,614) and HOME (\$730,682) funds from HUD. These funds may be used to support a variety of community programs. The Board is being asked to consider recommendations for funding which are included in the draft Action Plan and any public comments received during the thirty (30) day public comment period which began on March 18, 2016 and concludes at the end of the public hearing on April 19, 2016.

The County of Santa Barbara is the lead entity of the HOME Consortium, CDBG Urban County partnership, and ESG program. The Urban County is comprised of the County and the cities of Buellton, Carpinteria, and Solvang. The HOME Consortium includes the County and the cities of Buellton, Carpinteria, Solvang, and Goleta. Beginning in FY 2016-17, the City of Lompoc will not be included in the Santa Barbara County CDBG Urban County partnership and the cities of Lompoc and Santa Maria will not be included in the Santa Barbara County HOME Consortium.

**Background:**

***I. Annual Action Plan Overview***

The FY 2016-17 Action Plan is an annual update to the 2015-2020 Consolidated Plan, a mandated 5-year strategic planning document reflecting the goals, priorities, objectives and performance measures of the HOME Consortium, CDBG Urban County Partnership, and ESG program. The Action Plan outlines

the County's operating plan for the 2016-17 program year, and details the FY 2016-17 allocations and proposed use of funds. The Action Plan is required under HUD Community Planning and Development (CPD) funding programs, and must be submitted annually in order to maintain eligibility for this grant funding.

- A. CDBG Program: The CDBG program provides funding for activities that assist low and moderate income households. To be eligible for funding, projects must serve low and moderate income clientele and/or be located in a low-income census tract, as defined by HUD. Eligible activities include capital projects (infrastructure, housing rehabilitation, and community facilities), public service programs, and economic development activities.
- B. HOME Program: The Action Plan includes the proposed use of HOME funds for housing development for which applications are accepted on a year-round basis. Once formal applications are received and staff has reviewed the project proposals, staff will return to the Board for funding approvals.
- C. ESG Program: The ESG program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents; (5) rapidly re-house homeless individuals and families; and (6) prevent families/individuals from becoming homeless. Eligible program components include: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and Homeless Management Information System (HMIS). The Community Services Department Division of Housing and Community Development (HCD) administers the ESG program for the entire county.

## *II. 2016-17 CDBG and ESG Funding Process*

HCD published an annual Notice of Funding Availability (NOFA) for federal CDBG and ESG funds on November 2, 2015. Applications were due on January 8, 2016. The County's CDBG partners include the cities of Buellton, Carpinteria, and Solvang.

HCD staff held public workshops in North County and South County in November 2015 to provide technical assistance to potential applicants and to provide training on ZoomGrants, the grant application and management system. HCD convened two Board-approved Committees that reviewed applications for funding and heard presentations from applicants.

- A. Capital Loan Committee: Includes eight representatives (six voting and two non-voting) from the following areas: north and south county lending, a public housing authority, a representative from the County Auditor Controller's office and the Treasurer-Tax Collector office and other related experts. The Committee reviewed CDBG Capital applications and provided recommendations on funding. The review process by this Committee met the requirements of the Brown Act.

- B. Human Services Commission (HSC) Allocations Subcommittee: Includes a representative from each of the five supervisorial districts and review CDBG Public Services and ESG applications. The review process by this Committee met the requirements for the Brown Act.

### **III. CDBG, ESG, and HOME Recommendations**

- A. CDBG Capital: The Capital Loan Committee met on February 11, 2016 to receive a staff report and presentations from the CDBG Capital Project applicants and to evaluate each project based on project eligibility. The draft FY 2016-17 Action Plan includes the Committee's project recommendations that will be considered at the Board's April 19, 2016 meeting.

The Urban County cities of Buellton, Solvang, and Carpinteria did not identify capital projects in their communities, therefore, their pro rata allocation was added to the County's FY 2016-17 CDBG pro rata allocation. Of the total grant allocation amount of \$1,074,934 for the CDBG program, 20%, or \$214,987, may be used for administration. \$698,707 is available for capital projects. The total amount of unspent FY 2014-15 CDBG allocations to be reprogrammed to capital development projects and micro-economic development projects through the Amendments is \$175,543.

The County received six (6) capital project applications totaling \$893,450. One project was not recommended for funding at this time. The remaining five (5) applications submitted for CDBG Capital projects for FY 2016-17 in the total amount of \$674,250 were recommended for funding. The Capital Loan Committee recommended an additional \$200,000 for the Isla Vista Youth Projects: Legacy and Vision Campaign because the additional funding would complete the amount needed for the acquisition of their facility. The total amount of CDBG funding recommended for projects in FY 2016-17 is \$874,250. This amount will be funded with the total allocation of FY 16-17 CDBG Capital and \$175,543 of unspent FY 2014-15 CDBG allocations. The Capital Loan Committee recommendations will be included in the draft Action Plan and draft Amendments that will be considered by the Board on April 19, 2016.

- B. CDBG Public Services: Of the total \$1,074,934 CDBG allocation, up to 15%, or \$161,240, may be used for public services programs. Of this amount, the County's allocation is \$147,793, which includes the pro rata public service allocations from the cities of Buellton and Solvang. The County received twenty-two (22) applications totaling \$648,200. One application in the amount of \$20,000 was withdrawn. In February 2016, the HSC Allocations Subcommittee interviewed ESG and CDBG Public Service applicants, evaluated projected outcomes, organizational capacity, and need for the program and recommended funding nine (9) programs. The HSC Allocations Subcommittee met again in March 2016 to adjust its initial recommendations since HUD released the actual FY 2016-17 County CDBG grant allocation after the Subcommittee's meeting in February. The HSC Allocations Subcommittee's recommendations will be included in the draft Action Plan that will be considered by the Board on April 19, 2016.

- C. ESG: The County will receive \$142,614 in FY 2016-17 ESG funds, of which 7.5% or \$10,696 may be used for administration, with the balance of \$131,918 available for emergency shelters, rapid re-housing assistance, homelessness prevention assistance, street outreach, and HMIS. Twelve (12) applications requesting a total of \$447,324 were received. The HSC Allocations Subcommittee recommended nine (9) applications for the available funding; these recommendations are included in the draft Action Plan.
  
- D. HOME: The Capital Loan committee met on February 11, 2016 to review three (3) applications for HOME TBRA which were submitted in response to the NOFA. A total of \$1,042,430 was requested in the three TBRA applications. At the time of the meeting, there was an estimated balance of \$413,000 in uncommitted expiring HOME funds from FY 2012-13 and FY 2014-15 available for TBRA allocation. The Committee recommended the distribution of \$413,000 to the following three agencies: Housing Authority of the County of Santa Barbara, PATH Santa Barbara, and Transition House.

Since the Capital Loan Committee meeting in February, an additional \$17,000 in HOME funds became available from FY 2014-15 that is subject to expiration this year bringing the total amount in HOME funds identified as expiring this year to \$430,000. The Capital Loan Committee will meet in April 2016 and HCD will recommend that any funds identified as expiring funds may be put towards TBRA and other uses. Recommendations for funding are included in the draft Amendments. All FY 2016-17 funds will be used for future affordable housing developments. Staff will return to the Board for funding approval as project applications are received.

**Fiscal and Facilities Impacts:**

There is no fiscal or facilities impact to set hearing action

**Fiscal Analysis**

<u>Funding Sources</u>	<u>Reprogrammed Prior Year Funds</u>	<u>Fiscal Year 16/17 Allocation</u>	<u>Annualized On-going Cost:</u>	<u>Total One- Time Project Cost</u>
FY 12/13 & 14/15 HOME	430,000			430,000
FY 14/15 CDBG	175,543			175,543
FY 16/17 CDBG		1,074,934		1,074,934
FY 16/17 ESG		142,614		142,614
FY 16/17 HOME		730,682		730,682

**Special Instructions:**

HCD published a public notice in newspapers of general circulation in north and south counties on March 18, 2016 to comply with the thirty (30) day public notice requirement. HCD will provide a copy of the public notice and proof of publication to COB.

**Authored by:** Akila A. Shenoy, Housing Program Specialist