



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 No.: 057
For Agenda Of: Set Hearing
Placement: Departmental (on 6/23/15)
Administrative (on 7/7/15)
Estimated Time: 10 minutes (on 6/23/15)
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Renée E. Bahl, Interim Community Services Director
Director (805) 568-2467
Contact Info: Phil Willis-Conger, Housing Program Specialist II (805) 568-3549
Laurie Baker, Grants and Program Manager (805) 568-3521
SUBJECT: Set a Public Hearing to consider public comments on and approve a Substantial Amendment to the FY 2014-15 Action Plan and Subrecipient Agreement with the City of Lompoc to administer a HOME funded Tenant Based Rental Assistance Program in the City of Lompoc (District 4)

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) On June 16, 2015 set a hearing for June 23, 2015 to:
 - i. Consider public comments on the Substantial Amendment to the FY 2014-15 Annual Action Plan received during the thirty (30) day public comment period, which commenced on May 22, 2015 and concludes at 5 P.M. on June 22, 2015; and
 - ii. Consider approval of a Substantial Amendment to the FY 2014-15 Annual Action Plan to include the City of Lompoc's (City) use of its FY 2014-15 sub-allocation of \$118,124 in HOME funds for a Tenant Based Rental Assistance (TBRA) Program; and
 - iii. Consider approval and authorization of the Chair of the Board of Supervisors to execute an original and two duplicate originals of the Sub-recipient Agreement in the amount of \$118,124 with the City of Lompoc to administer a TBRA program funded through the County HOME Consortium, and approved by Lompoc's City Council.

Auditor-Controller Concurrence

As to form: Yes

Set a Public Hearing to consider public comments on and approve a Substantial Amendment to the FY 2014-15 Action Plan and approve a Subrecipient Agreement with the City of Lompoc to administer a HOME funded Tenant Based Rental Assistance Program

June 16, 2015

Page 2 of 4

b) On July 7, 2015:

- i. Approve and authorize the Substantial Amendment to the FY 2014-15 Annual Action Plan be submitted to HUD, which includes the City of Lompoc's (City) use of its FY 2014-15 suballocation of \$118,124 in HOME funds for a Tenant Based Rental Assistance (TBRA) program; and
- ii. Approve and authorize the Chair of the Board of Supervisors to execute an original and two duplicate originals of the Sub-recipient Agreement in the amount of \$118,124 with the City of Lompoc to administer a Tenant Based Rental Assistance (TBRA) program funded through the County HOME Consortium, and approved by Lompoc's City Council that becomes effective on the day of execution of the Agreement and terminates 2 years from the effective date; and
- iii. Determine that the proposed actions are 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.

Summary Text:

The County of Santa Barbara serves as the 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 Lompoc (City) has been a member of the County HOME Consortium since 1994. The City will use its FY 2014-15 allocation of \$118,124 in HOME funds for a Tenant Based Rental Assistance (TBRA) program that will provide security and utility deposit grants on behalf of eligible low income households. The Sub-recipient agreement also will permit Lompoc to provide monthly rental assistance payments and to recover certain administrative expenses, including certifying income eligibility and inspecting rental units for Housing Quality Standards (HQS).

A substantial amendment to the FY 2014-15 HUD Action Plan (Plan) is necessary to change the planned use of the HOME funds from a Homebuyer Assistance Program to a Tenant-Based Rental Assistance Program.

Background:

The City has used its allocation of HOME funds for homeowner rehab, transitional housing, and affordable housing development since 1996. The City's model for its new TBRA Program is similar to successful TBRA programs elsewhere in the County.

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. Program 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).

Set a Public Hearing to consider public comments on and approve a Substantial Amendment to the FY 2014-15 Action Plan and approve a Subrecipient Agreement with the City of Lompoc to administer a HOME funded Tenant Based Rental Assistance Program
 June 16, 2015
 Page 3 of 4

- 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 review.

Performance Measure:

The City expects to provide one-time-only security and utility deposit assistance through the subrecipient agreement to 56 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 Lompoc is using its share of HOME funds for the TBRA program.

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)			\$118,124
Fees			
Other:			
Total	\$ -	\$ -	\$ 118,124.00

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 monitoring to ensure that the program is being administered in accordance with HOME regulatory requirements. The TBRA Agreement will be in effect the date it is executed by the County and will terminate two years from the date of execution. Although the City will withdraw from the Santa Barbara County HOME Consortium on June 30, 2016, the County will still be responsible for monitoring the TBRA agreement until its expiration. HUD regulations require that the HOME Consortium spend the funds within five (5) years of when HUD awards them. Section 3.4 of the Subrecipient agreement with the City allows the County to terminate the agreement if the City is not on track to expend the funds before HUD’s deadline. The Consortium Agreement in effect for this period also enables the County to redistribute the funds.

Set a Public Hearing to consider public comments on and approve a Substantial Amendment to the FY 2014-15 Action Plan and approve a Subrecipient Agreement with the City of Lompoc to administer a HOME funded Tenant Based Rental Assistance Program
June 16, 2015
Page 4 of 4

Staffing Impacts:

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

Special Instructions:

- The division of HCD published a public notice in the *Lompoc Record* newspaper on May 22, 2015 to comply with the 30-day public notice requirement. HCD will provide a copy of the public notice and proof of publication to COB.
- Provide a copy of the minute order reflecting Board Action after the June 16 and June 23 Board Hearing to PWillis-Conger@co.santa-barbara.ca.us.

After the July 7 Board Hearing:

- Execute three (3) original copies of Attachment A and leave at COB front desk for pick up. Call Phil Willis-Conger (extension 3549) when ready for pick up.
- Provide a copy of the minute order reflecting Board Action to PWillis-Conger@co.santa-barbara.ca.us.

Attachments:

- A) Substantial Amendment
- B) Subrecipient Agreement
- C) CEQA Notice of Exemption
- D) Public Notice
- E) Proof of Publication of the Public Notice
- F) Presentation

Authored by:

Phil Willis-Conger, Housing Program Specialist II

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