

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



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

Agenda Number:

Prepared on: 07/27/06
Department: Housing and Community Dev.
Budget Unit: 055
Agenda Date: 08/15/06
Placement: Administrative
Estimate Time: None
Continued Item: No
If Yes, date from:

TO: Board of Supervisors

FROM: Ron Cortez
Interim Housing and Community Development Director

STAFF CONTACT: Patricia Gabel ext. 3522

SUBJECT: Community Development Block Grant Cities/County Cooperation Agreements

Recommendation(s):

That the Board of Supervisors:

Adopt the attached resolution authorizing the County Chief Executive Officer to enter into the Cooperative Agreements with the cities of Lompoc, Carpinteria, Buellton and Solvang for the purpose of participation in the urban county CDBG program and authorizing the Chief Executive Officer or his designee to act on behalf of the County in all manner of business related to the functions of the urban county. (Attachment A).

Alignment with Board Strategic Plan:

The recommendation is primarily aligned with Goals No. 5 and No. 7. Maintain and Enhance the Quality of Life for all Residents, and Strengthen the Safety and Well-Being of Children and Their Families to Ensure a Strong Future for our Community.

Executive Summary and Discussion:

On April 19, 2005 the Board of Supervisors authorized the Housing and Community Development Department to initiate negotiations with the City of Lompoc in order to obtain Urban County Entitlement Status from the federal government. The purpose of seeking such status is to enable the County to receive Community Development Block Grant Funds on an entitlement basis. On May 2, 2006 the Lompoc City Council voted unanimously to enter into a Cooperation Agreement with the County. On May 23, 2006 your Board approved the Lompoc/County Cooperation Agreement.

This partnership with the City of Lompoc provides the County with the population numbers to qualify for Urban County status. This guarantees annual CDBG funding on a formula funded basis. Currently, Santa Barbara

County must compete for CDBG funding through the State "Small Cities" program administered in California by the Department of Housing and Community Development (HCD).

Members of the County of Santa Barbara HOME Consortium that are not individually entitled to CDBG are also eligible to become part of the Urban County. The Cities of Carpinteria, Solvang and Buellton can receive a formula allocation of CDBG funds based upon the HUD funding their populations bring to the Urban County. The Solvang City Council on July 10th, the Buellton City Council on July 14th and the Carpinteria City Council on July 24th 2006 each approved an individual City/County Cooperation Agreement with the County for purposes of participating in the Urban County program. The Goleta City Council met on May 15th and chose not to join the Urban County.

Staff estimates that the attached Agreement will bring to the County \$3,655,000.00 in CDBG over the three year period of the agreements. These figures are based upon Fiscal Year 2004 CDBG allocations, adjusted for CDBG funding reductions in 2005 and 2006, and are subject to Congressional appropriations for each program year. The Lompoc/County Cooperation Agreement guarantees Lompoc \$2,975,000.00 over three years because the City's willingness to relinquish individual entitlement status allowed for the formation of an Urban County. The Cities of Buellton, Carpinteria and Solvang, however, will not receive funding beyond their allocation of CDBG funds based upon the HUD formula.

Background:

For almost twenty (20) years, the population of Santa Barbara County has put it on the brink of designation as an Urban County under Title I of the National Housing and Community Development Act of 1974.

During this time frame, as the population has approached the 200,000 persons required to meeting the designation, several actions taken by the federal government have resulted in the failure of Santa Barbara County to reach the threshold population required under Title I of the Act.

In 1974 Public Law 93-383 authorized small cities with HUD Center City Status to become entitlement jurisdiction without meeting the Act's threshold population requirement of 50,000. As a result, the City of Lompoc was granted entitlement status. In 2004 the City of Goleta was also granted CDBG entitlement status. As a result, the population of both or those cities was deducted from the County's, resulting in the failure of the County to meet the Urban County threshold population requirement. Under HUD's regulations, Section V – Cooperation Agreements of HUD Community Planning and Development Notice 02-05, the participating cities can be included as a participating unit of general government under the County's Urban County CDBG program for a three (3) year period. The Agreements do not become effective until they are approved by HUD.

Summary of Cooperation Agreements:

Unlike the Agreement with the City of Lompoc, under the proposed agreements, the CDBG program for the cities of Buellton, Carpinteria and Solvang will be administered in its entirety by the County. The County will oversee the Notice of Funds Available project/program solicitation process but the cities will select the eligible activities to fund with their formula allocation. Sponsors of eligible activities that are located within the jurisdiction of the Cities may apply to the County of Santa Barbara for additional CDBG funds from the remaining County allocation.

The County Board of Supervisors will be responsible for determining the final disposition and distribution of all remaining funds received by the County. The Cities agree that the County of Santa Barbara has the sole authority to redistribute all CDBG funds when eligible projects that have been selected for funding are not implemented in a timely manner. However, if funds must be redistributed from a project within the

jurisdiction of one of the Cities, the City has the authority to select the eligible project or projects to receive the redistributed funds.

County CDBG program administration activities include the preparation of plans to be submitted to HUD, issuance of notices, requests for project submittals, evaluation administration and project monitoring not paid for solely with City CDBG funds, tracking and receiving program income and reporting to HUD. The City retains responsibility for compliance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) and for all required noticing and documentation for projects funded within the City's jurisdictional boundaries. Additionally, Santa Barbara County will be responsible for reports required for CDBG regulations, including the Consolidated Plan, the Annual Action Plan, the Comprehensive Annual Performance Report (CAPER), and Cash and Management Information System Reports.

Mandates and Service Levels:

Participation in the CDBG program is not mandated; however, acceptance of funds to carry out affordable housing activities require the County to comply with the federal laws and regulations related to those funds. Any general fund or loss of CDBG entitlement status liability under the Cooperation Agreements is carefully addressed and minimized in the wording of the agreements. The County would be able to apply for CDBG funds through the competitive State Small Cities Community Development Block Grant Program if HUD entitlement status were lost.

Fiscal and Facilities Impacts:

Submission to and approval by HUD is required for receipt of the federal CDBG funds. Twenty percent (20%) of the CDBG funds awarded are available for administration. A portion of the administration award will be given to the City of Lompoc for their administrative expenses. The Lompoc portion will be 20% of the HUD – dictated Urban County CDBG formula allocation for Lompoc. The County will retain 20% of the balance of the Urban County allocation which includes the unincorporated County formula allocation, other member cities formula allocations and the incentive portion of the unincorporated County allocation awarded to Lompoc.

Concurrences:

County Executive Office
County Counsel

Special Instructions:

County Executive Officer to execute three sets of three original Cooperation Agreements and Board Chairperson to execute three original Resolutions at the earliest opportunity. Please dial extension 3529 for pick – up. Keep one certified copy of each Agreement in Clerk's office and return all three originals of each set HCD for distribution.

Prepared by: Patricia Gabel