



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: Housing and
Community
Development
Department No.: 055
For Agenda Of: 07/17/07
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department John Torell, HCD Director, 568-3520
Director(s)
Contact Info: Patricia Gabel, Housing Finance Division Manager, 568-3529
SUBJECT: La Morada Transitional Age Youth Housing Facility Budget Supplement

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

As to form: None

Recommended Actions:

1. That the Board of Supervisors adopt a resolution allocating \$92,000 dollars of Program Income into the open Community Development Block Grant (CDBG) for the La Morada project (Attachment A), Second District

Summary Text:

The Board of Supervisors authorized County Housing and Community Development to submit an application for State Community Development Block Grant (CDBG) funds on March 10, 2005. These grant funds are being used to rehabilitate a County owned facility known as La Morada which is located at 66 San Antonio Road in an unincorporated South Coast area near Goleta. The purpose of the project is to create a residential facility for transition age youth within and aging out of the Foster Care system. The State awarded the grant in the amount of \$500,000, and substantial work has been completed on the project.

There have been several unexpected yet necessary additions to the project rehabilitation activities. These additions to the project include replacing all the plumbing, adding an electrical panel, upgrading one furnace, and fire alarm modifications. With Board approval, the County Housing and Community Development Department will transfer \$92,000 of Program Income into the grant budget in order to meet the rehabilitation requirements of this facility.

The State of California allows Program Income to be amended into open grants as long as it is used for the same activity as those existing in the grant. Also, there must be a properly noticed public hearing before a governing body at which a resolution is adopted authorizing the transfer of Program Income. This hearing of the Board of Supervisors meets those requirements.

Background:

Program Income is defined as incoming funds which result from the loan of Community Development Block Grant (CDBG) dollars. For example, in the past County HCD has used grant funds to make loans to local non-profit agencies providing services and/or housing to low income community members. When those loans are repaid by the non-profit agencies back to County HCD, the loan payments become Program Income.

The State of California allows eligible jurisdictions to handle Program income in multiple ways. Typically, Program Income is placed into revolving loan accounts which make funds available to programs serving community members with qualified income. State regulations also allow for Program Income to be amended into an open grant or to be simply returned to the State of California.

Performance Measure:

No County performance measures or standards are affected by the allocation of \$92,000 into the La Morada rehabilitation budget.

Fiscal and Facilities Impacts:

Budgeted: Yes **Fiscal Analysis:**

The recommendation provides fiscal benefits to the County in two ways. First, there will be additional funding for a much needed residential program for youths within the Foster Care system without utilizing any General Fund dollars. Second, there will be a reduction in the amount of Program Income the County has on hand and thus increase County compliance with State CDBG guidelines.

Staffing Impacts:

Legal Positions:

0

FTEs:

0

Special Instructions:

Send one original executed copy of the attached resolution to Mike Sederholm, Room #3.

Attachments:

Attachment A – Resolution authorizing the allocation of \$92,000 of Program Income to La Morada (2 copies)

Authored by:

Mike Sederholm