



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.: 055
For Agenda Of: December 11, 2018
Placement: Departmental
Estimated Time: 15 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department George Chapjian, Director 805-568-2485
Director(s) Dinah Lockhart, Deputy Director HCD 805-568-3523
Contact Info: Laurie Baker, Grants and Programs Manager 805-568-3521
SUBJECT: Approval of a substantial amendment to the 2018 Action Plan and execution of Tenant-Based Rental Assistance (TBRA) agreements with the City of Santa Maria and County Housing Authority (Supervisory 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. Hear and consider public comments relating to the use of \$350,000 in federal HOME Investment Partnerships (HOME) funds for a Tenant-Based Rental Assistance (TBRA) program (Program) and to the Substantial Amendment to a FY 2018-19 Action Plan (Attachment A) that were submitted during the 30-day public comment period, which began on November 11, 2018 and concludes at the end of today's public hearing for the Program;
- B. Approve the Substantial Amendment to the FY 2018-19 Action Plan (Attachment A), which adds the use of Three Hundred Fifty Thousand Dollars (\$350,000) in HOME Funds for the Program and direct staff to submit the Substantial Amendment to HUD;
- C. Approve and authorize the Chair of the Board of Supervisors to execute an original and duplicate original of the Subrecipient Agreement (Attachment B) in the amount of \$250,000 between the County and the Housing Authority of the County of Santa Barbara ("Housing Authority") to administer a Tenant Based Rental Assistance (TBRA) program funded through the County HOME Consortium with an effective date of December 11, 2018 and terminating December 31, 2020; and
- D. Approve and authorize the Chair of the Board of Supervisors to execute an original and duplicate original of the Subrecipient Agreement (Attachment C) in the amount of \$100,000 between the

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County and the City of Santa Maria (“City”) to administer a Tenant Based Rental Assistance (TBRA) program funded through the County HOME Consortium with an effective date of December 11, 2018 and terminating December 31, 2020; and

- E. 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 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 impact on the environment.

Summary Text:

The County of Santa Barbara serves as a lead entity for the County HOME Consortium, which includes the County and the cities of Buellton, Carpinteria, Goleta, Solvang and Santa Maria. The HOME Consortium receives an annual allocation of 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 and County Housing Authority report that the lack of funds for security and utility deposits is a barrier for many low-income households in obtaining affordable rental housing.

The City of Santa Maria will use \$100,000 in HOME funds to administer a TBRA program for residents in the City of Santa Maria and the communities of Orcutt and Tanglewood. TBRA funds will be used for security deposit assistance for low-income residents.

The Housing Authority of the County of Santa Barbara will use \$250,000 in HOME funds to administer a TBRA program for residents throughout the County, with the exception of the City of Santa Barbara, which receives a direct HOME allocation from HUD. The Housing Authority will use TBRA funds to assist families who will receive Housing Choice Vouchers (HCV) with security and utility deposits. The HCV program, also known as the Section 8 rental assistance program, provides monthly rent assistance to qualifying households; however, HCV funds cannot be used to cover required security and utility deposits. The Housing Authority may coordinate with the City of Santa Maria and may cross jurisdictional boundaries to assist the City in meeting unmet needs in the City and the nearby communities of Orcutt and Tanglewood.

Background:

On June 19, 2018, the Board approved the County’s FY 2018-19 Action Plan, which included projects and programs to be funded with federal Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs. The CDBG funds were awarded via Notice of Funding Availability and application process. HOME funds are used by the County primarily for Housing Development projects, which create permanent affordable housing. Applications for housing development are accepted on a year-round basis due to market conditions for land or building acquisition, timing of zoning and other planning activities and, in the case of multi-family projects that will utilize low-income housing tax credits, to coincide with State application schedule. As HOME funds are invested in projects, a substantial Action Plan amendment is required. A 30-day public notice and public hearing are required for substantial Action Plan amendments.

In addition to housing development, other eligible uses of HOME funds include TBRA. The City of Santa Maria and the Housing Authority of the County of Santa Barbara wish to continue their respective TBRA programs in the County.

The City of Santa Maria will use \$100,000 in HOME funds to administer a TBRA program for residents in the City of Santa Maria and the communities of Orcutt and Tanglewood. TBRA funds will be used for security deposit assistance for low-income residents.

The Housing Authority of the County of Santa Barbara will use \$250,000 in HOME funds to administer a TBRA program for residents throughout the County, with the exception of the City of Santa Barbara, which receives a direct HOME allocation from HUD. The Housing Authority will use TBRA funds to assist families who will receive Housing Choice Vouchers (HCV). The HCV program, also known as the Section 8 rental assistance program, provides monthly rent assistance to qualifying households; however, HCV funds cannot be used to cover required security and utility deposits. The Housing Authority may coordinate with the City of Santa Maria and may cross jurisdictional boundaries to assist the City in meeting unmet needs in the City and the nearby communities of Orcutt and Tanglewood.

Performance Measure:

The City of Santa Maria and the County Housing Authority will administer their respective TBRA programs in accordance with HOME requirements at 24 CFR 92.209 and other related federal requirements. As subrecipients, they will be required to income-qualify tenants in accordance with the income-determination method at 24 CFR Part 5 and perform inspections of housing units per 24 CFR 982.401. The County Division of Housing and Community Development will perform annual monitoring of the programs.

Contract Renewals and Performance Outcomes:

The County Housing Authority estimates that 156 households will be assisted with security and utility deposits. The City of Santa Maria estimates that 40 households will be assisted with security deposits.

Fiscal and Facilities Impacts:

Not applicable

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	\$ 350,000.00		\$ 350,000.00
Fees			
Other:			
Total	\$ 350,000.00	\$ -	\$ 350,000.00

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Narrative: The funds have been received by the County from HUD and are available for the TBRA programs.

Key Contract Risks:

HUD could require the County to repay HOME funds expended for ineligible expenses with non-federal funds. The Subrecipient agreements specify HUD eligible expenses and County staff will review each payment request submitted by the Subrecipients to ensure that expenses incurred were for eligible costs. Payments will be provided on a reimbursement basis upon proof of payment of TBRA to tenants or landlords. County staff will conduct annual monitoring of the Subrecipients to assure that the program is being administered in accordance with HOME regulatory requirements.

Staffing Impacts:

Existing HCD staff will administer and monitor the programs

Special Instructions:

1. Please have the Board chair sign one original of the TBRA Agreements:
 - a. City of Santa Maria and,
 - b. Housing Authority of the County of Santa Barbara.
2. Please provide one certified copy of each Agreement to Laurie Baker (ext. 3521) or Matt Kropke (ext. 3533). Please call for pick-up.
3. Retain one original of each Agreement for COB files.
4. Please email a copy of the Minute Order to lbaker@co.santa-barbara.ca.us

Attachments:

- A. 2018-19 Substantial Action Plan Amendment
- B. Subrecipient Agreement with the Housing Authority of the County of Santa Barbara
- C. Subrecipient Agreement with the City of Santa Maria