



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
Department No.: 057
For Agenda Of: July 19, 2016
Placement: Administrative
Estimated Time:
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(s)
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523
Laurie Baker, Grants & Program Manager (805) 568-3521

SUBJECT: Amendment to HOME Tenant Based Rental Assistance Subrecipient Agreement
with the Housing Authority of the County of Santa Barbara

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. Approve and authorize the Chair of the Board of Supervisors to execute an original and duplicate original of an Amendment (Attachment A) to the Subrecipient Agreement (Attachment B) between the County and the Housing Authority of the County of Santa Barbara ("Housing Authority") that increases the amount of federal HOME funding from \$493,421 to \$1,144,222 to administer a Tenant Based Rental Assistance (TBRA) program; and
- B. 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, and direct staff to file a Notice of Exemption (Attachment C).

Summary Text:

The Housing Authority of the County of Santa Barbara (Housing Authority) has operated a Tenant Based Rental Assistance (TBRA) program since 2013 using HOME Investment Partnerships Program (HOME) funds to assist low-income individuals attain affordable rental housing. On June 7, the Board

approved and executed the subrecipient agreement with the Housing Authority for \$493,421 in HOME funds for its TBRA program.

HCD staff recommends that the Housing Authority's 2016 TBRA subrecipient agreement be amended to add \$650,801 in HOME funds. This will enable the County to meet certain commitment deadlines established by HUD HOME regulations.

Background:

Every year, the County Housing and Community Development (HCD) Division prepares an Action Plan as required by HUD. On April 19, the Board approved for submittal to HUD the FY 2016-17 Action Plan and substantial amendments to the County's FY 2012-13 and FY 2014-15 Action Plans, which included the use of HOME funds for three Tenant-Based Rental Assistance (TBRA) programs: Housing Authority (\$493,421); PATH (\$22,000); and Transition House (\$40,000). The funds used for the TBRA programs were HOME funds that were subject to recapture by HUD if not committed to eligible activities by July 31, 2016.

HOME Program regulations require that the County expend "Program Income" prior to drawing additional HOME funds from the U.S. Treasury. Monies collected annually by the County on "residual receipt" and other loans made in prior years using HOME funds are included in HUD's definition of "Program Income." Therefore, as Program Income is received, the amount of uncommitted funds increases. As of July 5, 2016, the County has a balance of uncommitted funds in the amount of \$650,801, which are subject to recapture if not committed to one or more eligible activities by July 31, 2016.

HCD staff offered additional funds to the three organizations that were approved for TBRA funds in April. The Housing Authority responded favorably to receiving additional funds. PATH and Transitional House declined additional funds and expressed their support for the Housing Authority. Both organizations will work with the Housing Authority for additional TBRA when their own funds are exhausted. Therefore, HCD staff is recommending that the Housing Authority's 2016 TBRA subrecipient agreement executed by the Board on June 7 be amended to add the additional amount of uncommitted HOME funds (\$650,801, as of July 5).

Performance Measure:

The Housing Authority estimates that the additional funds will serve 74 low-income households, for a total of about 130 households assisted under the amended contract amount of \$1,144,222. These households might not otherwise be able to afford decent, safe, affordable housing.

Fiscal and Facilities Impacts:

Budgeted: Yes **Fiscal Analysis:**

Funding Sources	Current FY Cost:	Annualized On-going Cost:	Total One-Time Project Cost
General Fund			
State			
Federal	\$1,144,222		\$1,144,222
Fees			
Other:			
Total	\$ 1,144,222.00	\$ -	\$ 1,144,222.00

Narrative: The recommended funding amount is part of the County’s FY 2012-13 and FY 2014-15 federal HOME allocation, specifically the funds that are subject to recapture by the U.S. Treasury if not allocated to eligible activities by July 31, 2016. Staff time required to administer and monitor the Housing Authority’s and other TBRA programs are included in the HCD HOME program budget.

Key Contract Risks:

HUD could require the County to repay HOME funds expended for ineligible expenses with non-federal funds. The subrecipient agreement specifies HUD eligible expenses, and County staff will review each payment request submitted by the Housing Authority to ensure that expenses incurred were for eligible costs. HOME funds will be provided to the Housing Authority on a reimbursement basis. County staff will conduct annual monitoring to assure that the program is being administered in accordance with HOME regulatory requirements.

Staffing Impacts:

Current HCD staff will administer the subrecipient agreement.

Special Instructions:

1. Please call Lucy Graham at ext. 3533 when the documents listed below are available.
 - a. Two executed copies of Attachment A; and
 - b. One copy of the Minute Order.

Attachments:

- A) Subrecipient Agreement Amendment
- B) Subrecipient Agreement between the County and the Housing Authority
- C) CEQA Notice of Exemption