



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: Public Works/CSD
Department No.: 054
For Agenda Of: November 2, 2021
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Scott D. McGolpin, Public Works Director (805) 568-3010
Director George Chapjian, Community Services Director, (805) 568-2467

Contact Info: Julie Hagen, Deputy Public Works Director (805) 568-3999
Andrew Myung, Disaster Recovery Manager (805) 568-2163

SUBJECT: **Adopt an Authorizing Resolution and Master Standard Agreement between Santa Barbara County and the State of California Housing and Community Development Department Community Development Block Grant Disaster Relief funds related to the 2017 Thomas Fire; First Supervisorial District**

County Counsel Concurrence

As to form: Yes

Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Adopt the Authorizing Resolution (Attachment A) formalizing the acceptance of State Community Development Block Grant Disaster Relief funding for unmet infrastructure needs related to the 2017 Thomas Fire;
- b) Authorize the Public Works Director, or his designee, to execute a Master Standard Agreement in a form substantially similar to the attached MSA (Attachment B) with the State of California Housing and Community Development Department and to take additional related actions, as set forth in the Authorizing Resolution for funding in the amount estimated at \$5,378,130 under the Community Development Block Grant Disaster Recovery guidelines, subject to County Counsel approval as to form; and
- c) Determine that the other Recommended Actions are not the acceptance and approval of a project that is subject to environmental review under CEQA pursuant to section 15378(b)(4), finding that actions consist of the 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 physical impact on the environment.

Summary Text:

In December of 2017, the community of Montecito incurred significant infrastructure damage resulting from the Thomas Fire and subsequent 1/9 Debris Flow. In response to statewide fire events, the Federal Emergency Management Agency (FEMA) issued two disaster declarations, DR-4344 and DR-4353, in October and December of 2017. Declaration DR-4344 covered the northern region of California encompassing Sonoma, Napa, Mendocino, Lake, Butte, Yuba and Nevada counties. DR-4353 covered Santa Barbara County as well as the counties of Ventura, Los Angeles, Orange and San Diego.

In September 2017, Congress passed the Continuing Appropriations Act of 2018 and the Supplemental Appropriations for Disaster Relief Requirements, which included \$7.4 billion in federal funding to support response and recovery from FEMA-declared national disasters.

Pursuant to these actions, in August 2018, Department of Housing and Urban Development (HUD) allocated \$124 million in State Community Development Block Grant Disaster Relief (CDBG-DR) funding to State of California Housing and Community Development Department (HCD) to address unmet recovery needs resulting from the FEMA disaster declarations. Based on HCD's allocation methodology, Santa Barbara County is being allocated approximately \$5,378,130 in CDBG-DR funds to address unmet disaster recovery needs related to infrastructure. The County is required to execute the attached Authorizing Resolution and a future Master Standard Agreement (MSA) in order to receive these funds.

The Santa Barbara County Public Works Department, in partnership with the Santa Barbara County Community Services Department, anticipates utilizing these funds toward the Hazard Mitigation Grant Program (HMGP) Local Match requirement for the Randall Road Debris Basin project (\$4,501,348) as well as FEMA Public Assistance local match requirement for permanent work projects (\$876,782) related to the Thomas Fire and 1/9 Debris Flow.

Background:

CDBG-DR funds can be used to pay for critical infrastructure recovery project costs, as well as the local cost share requirement on approved FEMA Public Assistance projects. Unmet recovery needs are recovery needs that remain after other recovery funding sources are used such as FEMA, Small Business Administration, charitable donations, insurance payments, and state funds for housing, infrastructure, and economic revitalization recovery efforts.

In January 2020, HCD contacted local jurisdictions affected by FEMA Disaster declarations DR-4344 and DR-4353 and announced a Notice of Intent process for future applications to HCD for disaster-related funding under CDBG-DR. Santa Barbara County subsequently responded to HCD's Notice of Intent under DR-4353 indicating future plans to utilize this funding for infrastructure projects resulting from the Thomas Fire and 1/9 Debris Flow.

The Notice of Intent was a precursor to moving forward with additional state requirements and evaluations pursuant to HCD due diligence process. County staff has submitted due diligence documentation and materials to HCD, and the attached Authorizing Resolution is the final required

document for HCD’s due diligence review. Once HCD has received the executed CDBG-DR Authorizing Resolution and completed its due diligence review, it will forward a MSA to the County of Santa Barbara in a form substantially similar to the attached MSA (Attachment B), with the final budget and execution date inserted.

The County must expend 100% of its allocation of CDBG-DR funds on eligible activities by August 20, 2025.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
CDBG-DR Grant			\$ 5,378,130.00
State			
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ 5,378,130.00

Key Contract Risks:

Board-approved projects will have contracts executed between the County and the subrecipients. For CDBG-DR funded projects, the County could be subject to repaying federal funds from non-federal source(s) if HUD or the State finds that the County expended funds inconsistent with regulations, or otherwise did not comply with federal requirements. Failure to meet the five-year period may result in County reimbursement of the CDBG funds expended, plus a percentage of the increase in market value attributable to the investment of CDBG funds. Neither of these scenarios are anticipated at this time.

Staffing Impacts:

No new staffing impacts are anticipated.

Special Instructions:

1. Please execute two (2) duplicate originals of the CDBG-DR Infrastructure Authorizing Resolution (Attachment A).
 - a. Return one (1) original Authorizing Resolution, along with a copy of the Minute Order, to Christina Lopez, please call x83436 for pick-up of the original documents.
 - b. Please retain one (1) executed original CDBG-DR Infrastructure Authorizing Resolution for Clerk of the Board records.

Attachments:

- Attachment A: CDBG-DR Infrastructure Authorizing Resolution (2 Originals)
 Attachment B: CDBG-DR Infrastructure DRAFT Master Standard Agreement