

**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: 1/23/03
Department Name: Housing and Comm. Dev.
Department No.: 065
Agenda Date: 2/4/03
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Ed Moses, Director
Department of Housing and Community Development

STAFF

CONTACT: Patricia Gabel, Housing Finance
Ext. 3522

SUBJECT: 2003 Community Development Block Grant Application (2nd District)

Recommendation(s):

That the Board of Supervisors:

1. Adopt the attached resolution (Attachment A) approving a \$500,000 General Allocation CDBG grant application to the State Department of Housing and Community Development and authorize the Director of the Department of Housing and Community Development to submit the \$500,000 grant application to the California State Department of Housing and Community Development for infrastructure improvements for Mercy Housing's St. Vincent's Garden Family Community at the intersection of Highway 101 and Highway 154 (See Attachment B, Project Description).
2. Authorize the Director to sign all documents required for submittal of the CDBG application, grant agreement, drawdown of funds, submittal of minor amendment requests and grant administration.

Alignment with Board Strategic Plan:

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

Executive Summary and Discussion:

BACKGROUND:

The purpose of the CDBG application is to help finance infrastructure improvements for the Mercy Housing project. The infrastructure improvements are in support of construction of 170 units of affordable multifamily rental housing for families and seniors on the St Vincent's orphanage site. The need for affordable rental housing in the South Coast is well documented. South Coast market rents are approximately 25% higher than what a low income family can afford, as determined by HUD. There are very few large scale development opportunities available on the South Coast. This proposed project represents the largest effort to provide affordable housing in the history of the South Coast.

Mercy Housing is proposing to construct 170 units of affordable housing at a total cost of more than \$25 million. Seventy five of the units will be for multifamily affordable housing and the remaining 95 units will be for seniors. The residents will be able to access all the services that currently serve the St. Vincent's property including a childcare facility, indoor swimming pool and an after school program operated by Girls Inc. A senior health program facility is also being proposed as part of this project. The grant application project description has been attached for your reference.

The County has already committed over \$2 million for this project and this CDBG application represents additional County commitment. The City of Santa Barbara has committed over \$10.6 million towards this project. In order to access the City funds, the property was annexed into the City in November, 2002. However, the infrastructure improvements will occur solely in County jurisdiction.

Under the 2003 cycle of State Community Development Block Grant (CDBG) funding, the County is competing with other eligible non-entitlement applicants throughout the State for approximately \$26 million in General Allocation project monies. The County is eligible to apply for up to \$800,000 in CDBG General Allocation and Economic Development Funds. For the past 5 years, Housing Finance has applied and received almost \$2 million year for housing programs. The remaining \$300,000 of the \$800,000 is available for Economic Development applications.

As part of the County's Citizen Participation Plan, on October 14, 2002, the County sponsored a public hearing to discuss the State CDBG program and the County activity selection criteria for a 2003 application. This hearing before the Board of Supervisors represents the second required public hearing on the 2003 CDBG application.

If the grant is received, the County Housing and Community Development staff will be responsible for its general administration. They will conduct all monitoring, recordkeeping and funding disbursement.

Mandates and Service Levels:

The Housing Finance and Development Program is not mandated; however, acceptance of funds to carry out affordable housing activities requires the County to comply with the conditions attached to those funds. The State will notify applicants for the year 2003 grant awards by May 1, 2003, however meeting state administrative requirements can take an additional six to eight months.

Fiscal and Facilities Impacts:

If the grant is awarded, the County will receive \$500,000 of CDBG funds for infrastructure improvements of the project site. The money will be transferred to Mercy Housing in the form of a low-interest loan. Of this, the Housing Finance and Development Division of the Housing and Community Development Department will receive \$37,500 in CDBG General Allocation funds for general administration, monitoring and reporting.

Special Instructions:

Housing and Community Development will provide public notice. Return two original executed copy of the resolutions to Lisa Snider, Housing Finance and Development Division.

Concurrence:

Auditor-Controller

RESOLUTION OF THE BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA

A RESOLUTION APPROVING AN APPLICATION FOR)
FUNDING FROM THE GENERAL ALLOCATION OF THE)
STATE CDBG PROGRAM AND AUTHORIZING THE)
EXECUTION OF A GRANT AGREEMENT AND ANY)
AMENDMENTS THERETO WITH THE STATE OF)
CALIFORNIA FOR THE PURPOSES OF THIS GRANT)

WHEREAS:

- A. The County of Santa Barbara, a political subdivision of the State of California, wishes to apply for and receive an allocation of funds through the General Allocation of the 2003 State of California Community Development Block Grant Program; and
- B. The County has reviewed the citizen participation plan for compliance with federal statutes and has determined that this plan was followed for the development of this application.

IT IS NOW THEREFORE RESOLVED THAT:

- 1. The Board of Supervisors has reviewed and hereby approves an application for up to:
 - a. Infrastructure improvements- \$462,500.
 - b. General Administration - \$37,500
- 2. Santa Barbara County has committed a total of \$2,000,000 of South Coast local funds in support of the Mercy Housing Project.
- 3. Santa Barbara County has committed an additional \$500,000 of HOME funds in support of the project.
- 4. The \$462,500 will be allocated for the infrastructure improvements of the site in the form of a low interest loan.
- 5. The Director of Housing and Community Development is hereby authorized and directed to act on the County's behalf in all matters pertaining to this application.
- 6. If the application is approved, the Director of Housing and Community Development is authorized to enter into and sign the grant agreement *and any minor subsequent amendments* with the State of California for the purposes of this grant.

PASSED, APPROVED, AND ADOPTED, by the Board of Supervisors of the County of Santa Barbara, State of California, on _____ day of _____, 2003 by the following vote:

AYES:

NOES:

ABSENT:

Chair of the Board of Supervisors
County of Santa Barbara

ATTEST:

Michael Brown
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM:
STEPHEN SHANE STARK
County Counsel

By: _____
County Counsel

APPROVED AS TO FORM
ROBERT W. GEIS
Auditor - Controller

By: _____