



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: January 9, 2024
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: Joseph Dzvonic, Deputy Director (805) 568-3523
Laurie Baker, Grants & Program Manager (805) 568-3521
SUBJECT: HOME Tenant Based Rental Assistance Subrecipient Agreements with the City of Santa Maria (Supervisorial Districts 4 and 5) and the Housing Authority of the County of Santa Barbara (Supervisorial Districts 3 and 4)

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 a Subrecipient Agreement (Attachment A) between the County and the City of Santa Maria to provide federal HOME funding in the amount of \$150,000 to administer a Tenant Based Rental Assistance (“TBRA”) program in Districts 4 and 5; and
- b) Approve and authorize the Chair of the Board of Supervisors to execute a Subrecipient Agreement (Attachment B) between the County and the Housing Authority of the County of Santa Barbara (“HASBARCO”) to provide federal HOME funding in the amount of \$123,933 to administer a TBRA program in Districts 3 and 4; and
- c) Determine that the proposed actions are exempt from the California Environmental Quality Act (CEQA) guidelines, pursuant to Section 15378(b)(4), finding that the actions are 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: This Board item recommends approval of two subrecipient agreements with the City of Santa Maria and the Housing Authority of Santa Barbara County (HASBARCO) to administer tenant based rental assistance (TBRA) programs utilizing federal HOME funds. The City of Santa Maria will administer their own TBRA program, whereas the City of Lompoc has selected HASBARCO to administer TBRA to qualifying Lompoc residents. The City of Santa Maria and the City of Lompoc are members of the Santa Barbara County HOME Consortium and receive sub-allocations of the County's HOME funds to use in their respective communities. Santa Maria will use a portion of its 2023 HOME funds (\$150,000) for a security deposit assistance program for residents of the City and surrounding areas. The balance of Santa Maria's 2023 HOME funds (\$149,499) will be pooled with the balance of the County's HOME allocation for use in affordable housing development or rehabilitation projects. The City of Lompoc has selected HASBARCO to administer a TBRA program for a security deposit program for Lompoc residents using all of Lompoc's 2023 HOME funds (\$123,933). This program will provide security deposit assistance to eligible low-income households to secure affordable rental housing. The award of these funds was approved by the Board of Supervisors on May 2, 2023, and the projects were included in the County's FY 2023-24 Annual Action Plan and submitted to the U.S. Department of Housing and Urban Development (HUD). The County received FY 2023-24 HOME funds from HUD on September 6, 2023. Approval of today's recommended Board action would execute the relevant agreements to convey the funding amounts previously approved and submitted to HUD.

Background:

The purpose of HUD HOME funding is to expand the supply of affordable housing to low-income households. The County of Santa Barbara serves as lead agency for the local HOME Consortium, which includes the unincorporated areas of the County and the cities of Buellton, Carpinteria, Goleta, Solvang, Lompoc and Santa Maria. Each HOME Consortium member city receives a sub-allocation of the County's HOME funds to be used in their respective communities.

The chart below shows the sub-allocations of HOME funds to HOME Consortium members, after deducting funds for County administration (10%) and required CHDO¹ funds (15%). The cities may choose to use all or a portion of their HOME funds for HOME-eligible purposes, including affordable housing development or rehabilitation, TBRA, homeowner rehabilitation, or home-buyer assistance. The City of Santa Maria chose to use \$150,000 of its sub-allocation for TBRA and directed that its remaining funds be pooled with County funds to be used toward the costs of housing development projects in the County. The City of Lompoc chose to use all of its \$123,933 sub-allocation for a TBRA program. All other jurisdictions pooled their funds with the County's to be included in the County's Notice of Funding Availability.

¹ Community Housing Development Organization, a non-profit housing development organization that meets certain criteria. County HCD certifies CHDO status.

Jurisdiction	Distribution	Project Funds
County	40.45%	\$ 393,562
Buellton	1.43%	\$ 13,954
Carpinteria	3.86%	\$ 37,522
Goleta	9.18%	\$ 89,329
Santa Maria	30.78%	\$ 299,499
Solvang	1.55%	\$ 15,123
Lompoc	12.74%	\$ 123,933
Total	100.00%	\$ 972,922

On May 2, 2023, the Board of Supervisors approved the County’s FY 2023-24 Annual Action Plan for submission to HUD. This Action Plan included \$150,000 to Santa Maria for administration of a TBRA program in Santa Maria and the surrounding areas of Orcutt and Tanglewood, and \$123,933 to HASBARCO for administration of a TBRA program in the City of Lompoc.

The Santa Maria TBRA program will continue to provide security deposit assistance to low-income households, helping to overcome the challenge posed by up-front costs when moving into a new rental unit. Santa Maria’s HOME TBRA program has been ongoing since 2006. Santa Maria assisted 79 households using its 2021 allocation of \$150,000 and is currently utilizing its 2022 allocation of \$150,000.

HASBARCO has previously provided TBRA to qualifying City of Lompoc residents using County HOME funds. Between January 2019 and December 2020, a total of \$364,801 in assistance was provided to 188 households. Lompoc did not use its HOME allocation for a TBRA program in 2021 or 2022. Lompoc’s 2023 TBRA program will provide security deposit assistance to low-income households.

Performance Measure:

The \$150,000 in funds allocated to the Santa Maria will serve approximately 60 low-income households, and the \$123,933 in funds allocated to HASBARCO will serve approximately 44 low-income households in the City of Lompoc. Without this program, such households might not otherwise be able to afford decent, safe, affordable housing. Each Subrecipient Agreement provides that the respective Subrecipient is responsible for ensuring that the HUD HOME TBRA regulations are followed in accordance with 24 CFR Part 92, including, but not limited to, qualifying tenant income, ensuring allowable rents and lease terms, inspections of units for Housing Quality Standards (HQS) 24 CFR 982.401, or the successor requirements as established by HUD for units under the TBRA program, and inspections for lead-based paint per 24 CFR Part 35.

Fiscal and Facilities Impacts:

Budgeted: Yes

The funds are budgeted through the County’s annual allocation of HOME funds.

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			\$ 273,933.00
Fees			
Other:			
Total	\$ -	\$ -	\$ 273,933.00

Key Contract Risks:

HUD could require the County to repay HOME funds expended for ineligible expenses with non-federal funds. Each Subrecipient Agreement specifies HUD-eligible expenses, and County staff will review each payment request submitted by Santa Maria and HASBARCO to ensure that expenses incurred were for eligible costs. HOME funds will be provided to Santa Maria and HASBARCO on a reimbursement basis. County staff will conduct annual monitoring to assure that the programs are being administered in accordance with HOME regulatory requirements.

Staffing Impacts: Existing HCD staff will administer each Subrecipient Agreement. Staffing costs are partially offset through the 10% of the Consortium’s HOME allocation reserved for program administration.

Special Instructions:

1. Please execute two originals of the Santa Maria Subrecipient Agreement (Attachment A). Retain one original for COB records and return one original to Roberto Bojorquez. Call for pick up at 82469.
2. Please execute two originals of the HASBARCO Subrecipient Agreement (Attachment B). Retain one original for COB records and return one original to Roberto Bojorquez. Call for pick up at 82469.
3. Please return one copy of the Minute Order to Roberto Bojorquez at rbojorquez@countyofsb.org.

Attachments:

- A: Santa Maria Subrecipient Agreement
- B: HASBARCO Subrecipient Agreement
- C: May 2, 2023 Board Letter and Minute Order for approval of the FY 2023 Annual Action Plan

Authored by:

Roberto Bojorquez, Housing Programs Specialist II