



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.: 057
For Agenda Of: June 15, 2021
Placement: Administrative
Estimated Time: N/A
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
SUBJECT: Execution of State of California Permanent Local Housing Allocation (PLHA)
Sub-recipient Agreements

County Counsel Concurrence

As to form: YES

Auditor-Controller Concurrence

As to form: YES

Risk Concurrence:

As to form: YES

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify and authorize the Chair of the Board of Supervisors to execute sub-recipient agreements for the distribution of State of California Permanent Local Housing Allocation (PLHA) grant funds with the following providers in the specified amounts:
 - i) \$75,000 to Housing Authority of the County of Santa Barbara for delivery of supportive services at the West Cox Cottages for a term that begins May 1, 2021 and ends June 30, 2022 (Attachment A);
 - ii) \$54,000 to Housing Authority of the County of Santa Barbara for delivery of supportive services at the HomeKey Studios for a term that begins December 30, 2020 and ends June 30, 2022 (Attachment B).
- b) Determine that the approval of the recommended actions is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(4) since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

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Summary Text:

Staff is requesting that the Board of Supervisors approve, ratify and authorize the Chair to execute two (2) State of California Permanent Local Housing Allocation (PLHA) sub-recipient agreements with Housing Authority of the County of Santa Barbara. The Board is being asked to approve:

- \$75,000 to Housing Authority of the County of Santa Barbara for delivery of supportive services at the West Cox Cottages for a term that begins May 1, 2021 and ends June 30, 2022 (Attachment A);
- \$54,000 to Housing Authority of the County of Santa Barbara for delivery of supportive services at the HomeKey Studios for a term that begins December 30, 2020 and ends June 30, 2022 (Attachment B).

The agreements include an initial term that expires June 30, 2022. However, as discussed further below, staff anticipates annually renewing the agreements for an additional 4 years, which will result in total contract amounts of \$375,000 for West Cox and \$270,000 for HomeKey Studios. Staff will return to the Board for approval of extensions as necessary.

The County and the Cities of Goleta and Santa Maria (Consortium) entered into a Consortium agreement that authorizes the County to act as the Administering Jurisdiction for the Consortium to apply for and administer PLHA funds on the Consortium's behalf. This consortium determined thirty percent (30%) of the PLHA funds will be used for assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

Background:

Chapter 364, Statutes of 2017 (SB 2, Atkins) as authorized by Health and Safety Code Section 50470, was part of a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. SB2 created the Building Homes and Jobs Trust Fund and the PLHA Program. Specifically, it establishes a permanent source of funding intended to increase the affordable housing stock in California. The revenue from SB 2 will vary from year to year, as revenue is dependent on certain real estate recordation transactions with fluctuating activity. The legislation directs the California Department of Housing and Community Development (Department) to use seventy (70) percent of the revenue collected, beginning in calendar year 2019, to provide financial assistance to local governments for eligible housing-related projects and programs to assist in addressing the unmet housing needs of their local communities.

On July 7, 2020 the County of Santa Barbara's Board of Supervisors passed and adopted Resolution No. 20-127 allowing the Director of the Community Services Department to apply for, receive, and administer the PLHA funds for the Santa Barbara County PLHA Consortium, which includes the County of Santa Barbara, and the Cities of Goleta and Santa Maria.

The County and the Cities of Goleta and Santa Maria (Consortium) have each agreed to enter into a Consortium agreement that authorizes the County to act as the Administering Jurisdiction for the Consortium to apply for and administer PLHA funds on the Consortium's behalf. Over the next five years, the County and cities will receive an estimated \$8,383,638. The calculations are based on the CDBG allocation formula for 2017. The PLHA Guidelines authorize PLHA funds be expended on certain Eligible Activities. County staff convened a PLHA working group in 2019 consisting of city staff representatives.

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Additionally, four (4) community outreach meetings, in conjunction with the HUD Consolidated Plan development process, were held in Lompoc, Goleta, Santa Maria, and Santa Barbara to gather community input. To meet the objectives set forth by the PLHA program, the County, and the Cities of Goleta and Santa Maria elected to allocate the PLHA funds toward the following Eligible Activities:

1. Forty five percent (45%) of the PLHA funds will be allocated toward the predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low, very low, low-, and moderate-income households, including necessary operating subsidies.
2. Thirty percent (30%) of the PLHA funds will be used for assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
3. Fifteen percent (15%) of the PLHA funds will be used to provide homeownership opportunities, including, but not limited to, down payment assistance.
4. Ten percent (10%) of the PLHA funds will support the predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120-percent of AMI, or 150-percent of AMI in high-cost areas.

HCD staff will return to the Board to approve and execute agreements as programs and projects falling under other eligible uses are ready to proceed and the County is in receipt of the PLHA funds.

West Cox Cottages

In September 2019, the Housing Authority secured final funding for the West Cox Cottages Project in the form of 9% competitive Low Income Housing Tax Credits. In December 2019, the County Board of Supervisors executed State Homeless Emergency Aid Program (HEAP) Loan Documents for \$1,350,000. During the same meeting the Board also approved the County of Santa Barbara to join the Housing Authority to submit a State No Place Like Home (NPLH) non-competitive application, and approved a Behavioral Wellness Services Agreement and MOU for the West Cox Apartments Project as required by NPLH. The Project is located at 1141 West Cox Lane in the City of Santa Maria, consisting of 30 1-bedroom rental units. One of the units will be a manager's unit without income or rent restrictions. All other units will be restricted to household incomes that are at or below 60% of the area median income (AMI). The buildings are one story. On and off-site parking is available. The development includes a community building for resident supportive services consisting of a community meeting room, computer lab, and clinic. Landscaped areas are also provided for tenants' recreation.

The Project consists of developing 30 rental units (29 units with one manager's unit) in the City of Santa Maria for homeless persons and homeless persons with a diagnosis of a serious mental illness. The Project includes thirteen (13) newly constructed housing units set-aside for NPLH eligible persons with serious mental illness who are chronically homeless, homeless, or at-risk of being chronically homeless ("NPLH tenants.") In order to be awarded noncompetitive funds, all applicants must identify a Lead Service Provider (Be Well) and create a Supportive Services Agreement outlining the supportive services to be

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provided, and a MOU outlining the roles and responsibilities of the County, the project owner, and the property manager to provide those services for twenty (20) years.

The need for on-site supportive services is timely, as pre-applications for the first round of client referrals who may soon become residents at West Cox were due into the County Housing Authority on Tuesday, March 2. The Housing Authority projects to have all units leased-up by June 2021.

Housing Authority will engage collaborative partners to provide and link residents to supportive services, in partnership with the County and other service and housing providers. This scope of services shall include, but is not limited to, the following:

1. Case management;
2. Basic housing retention skills;
3. Peer support activities;
4. Mental health care;
5. Substance use services;
6. Physical health care, including routine and preventive health and dental care, medication management, and wellness services; and
7. Benefits counseling and advocacy.

The funding available, approximately \$75,000 per 12-month period, renewed annually for up to five years, is subject to funds available from the State of CA Permanent Local Housing Allocation. This conditional allocation of funding is described in the recitals to the subrecipient agreement with the County Housing Authority.

HomeKey Studios

In response to the impact of the COVID-19 pandemic on the State's homeless and vulnerable populations, under AB 83, the State made \$600 million available state wide to provide housing for persons experiencing homelessness. The \$600 million consisted of \$550 million in federal Coronavirus Relief Fund (CRF) and \$50 million in State General Fund (GF) to supplement acquisition and provide initial project operating subsidies. The Notice of Funding Availability was released on July 16, 2020, and projects were required to expend the federal CRF portion by December 30, 2020 and GF by June 30, 2022. Eligible uses for the funding included conversion of units from nonresidential to residential. The Housing Authority of the County of Santa Barbara (Housing Authority) proposed to develop fifteen (15) rental units using an office building currently owned by the County located at 117 North B Street, in Lompoc. Fourteen (14) of the units would be for eligible tenants, and one (1) unit is designated for an on-site property manager. The project is targeted for persons who are homeless or at-risk of homelessness with incomes at or below 15% area median income (AMI), which is \$12,500 for one person. The Housing Authority applied for competitive State of California Department of Housing and Community Development (State HCD) Homekey funds to help finance development of the Project. A key consideration by the State for the award of Homekey funding was a plan and timeline for obtaining site control. In August 2020, the County Housing Authority was notified that State HCD had completed its preliminary review of the Housing Authority's Homekey application for the B Street project, that the project passed threshold and funds have been reserved, contingent upon additional information being submitted, including evidence of site control. The Board's approval of the proposed Purchase and Sale Agreement in September 2020 demonstrated site

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control, and helped secure State Homekey funding. The site opened in December 2020 and was fully leased in January 2021.

The B Street Homekey project provides fourteen (14) Single Room Occupancy (SRO) units of permanent housing for homeless persons. One unit is occupied by an on-site project manager. On site services will be provided by local service providers, including County Behavioral Wellness (Be Well). Funding for services from the new State Permanent Local Housing Assistance (PLHA) is being considered by the Board today.

Housing Authority will engage collaborative partners to provide and link residents to supportive services, in partnership with the County and other service and housing providers. This scope of services shall include, but is not limited to, the following:

1. Case management;
2. Basic housing retention skills;
3. Peer support activities;
4. Mental health care;
5. Substance use services;
6. Physical health care, including routine and preventive health and dental care, medication management, and wellness services; and
7. Benefits counseling and advocacy.

The funding available, approximately \$54,000 per 12-month period, renewed annually for up to five years, is subject to funds available from the State of CA Permanent Local Housing Allocation. This conditional allocation of funding is described in the recitals in the subrecipient agreement with the County Housing Authority.

Performance Measure:

Housing Authority will engage collaborative partners to provide and link residents to case management; engage with individuals in the community and in County Housing Authority facilities; connect clients with necessary supports and services, provide transportation; conduct initial assessments and intake procedures; register residents with CES; and assist with connections to any other physical or behavioral services they may need. Residents will also have access to psychiatric and nursing care, in the office and in the field, medication management, and therapeutic services. The Project shall be carried out in accordance with attached Exhibit A, project Scope of Work (“Scope”), and Exhibit B, Project Budget. Housing Authority will provide quarterly reports to the County on services provided and the outcomes, or performance measures, which have been outlined in their scope of work. Tables 1 and 2 summarize the services to be provided; accomplishments shown are projected for a one-year period. Program design, funding allocations within budgeted line items, and the characteristics of individuals and households served will vary.

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Table 1: Goals – Individuals/Households Served at West Cox Cottages

GOALS: SUBRECIPIENT will provide the following levels of services during the term of the Agreement:

Services	Goal
Total unduplicated number of persons served	15
Total unduplicated number of households served	15
% of participants who retain permanent housing remaining housed for 1 year	85%

PERFORMANCE MEASURES: SUBRECIPIENT will provide the following performance measures during the term of the Agreement:

Services	Goal
% of adult participants participating in regular Case Management	87%
% of adult participants enrolled in Education Services	62%
% of adult participants receiving Employment assistance and job training	62%
% of adult participants engaged in Housing Counseling Services	87%
% of adult participants engaged in Life Skills Training	70%
% of adult participants participating in Mental Health Services	40%
% of adult participants receiving Outpatient Health Services	60%
% of adult participants receiving Substance Use Treatment Services	33%
% of adult participants accessing Transportation	66%
% of adult participants engaged in Direct Provision of Services	80%
% of adult participants gaining or increasing existing earned income at 1-year mark	47%
% of adult participants will obtain cash/non-cash benefits at 1-year mark	33%

Table 2: Goals – Individuals/Households Served at HomeKey Studios

GOALS: SUBRECIPIENT will provide the following levels of services during the term of the Agreement:

Services	Goal
Total unduplicated number of persons served	14
Total unduplicated number of households served	14
# / % of participants who retain permanent housing remaining housed for 1 year	12/85%

PERFORMANCE MEASURES: SUBRECIPIENT will provide the following performance measures during the term of the Agreement:

Services	Goal
% of adult participants participating in regular Case Management	50%
% of adult participants receiving Employment assistance and job training	30%
% of adult participants engaged in Housing Counseling Services	50%
% of adult participants engaged in Life Skills Training	50%
% of adult participants participating in Mental Health Services	75%

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% of adult participants receiving Outpatient Health Services	50%
% of adult participants receiving Substance Use Treatment Services	25%
% of adult participants accessing Transportation	50%
# / % of adult participants obtaining earned income at 1-year mark	25%
# / % of adult participants will obtain cash/non-cash benefits at 1-year mark	50%

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

General Fund				
State		\$		129,000.00
Federal				
Fees				
Other:				
Total	\$	-	\$	129,000.00

Narrative: As noted above, staff anticipates annually renewing the agreements for an additional 4 years, which will result in total contract amounts of \$375,000 for West Cox and \$270,000 for HomeKey Studios. Future funding available is subject to funds available from the State of CA Permanent Local Housing Allocation.

Key Contract Risks:

The County assumes responsibility for the administration of PLHA funds in accordance with all state requirements governing their use. In addition, it would be held liable if it or any provider to which it sub-grants funds is found to be non-compliant with applicable requirements. Housing Authority has successfully operated State and/or federally-funded homeless assistance projects in the past which have had similar regulatory and administrative requirements.

The PLHA sub-recipient agreement is a cost-reimbursement contract. This allows CSD/HCD to disburse funds to the aforementioned PLHA sub-recipient for eligible incurred costs to the extent prescribed by the Agreement. The County will only reimburse PLHA program sub-recipient for costs that are eligible under the Agreement and documented in a manner that is acceptable to the CSD/HCD. CSD/HCD staff will assess the performance of the sub-recipient to determine if the services provided are adequate and as outlined in the Agreement.

Special Instructions:

- 1) Please email an electronic copy of the Minute Order to Dinah Lockhart at dlockhart@co.santa-barbara.ca.us.

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- 2) Please execute three (3) original copies of each of the following documents and return two (2) originals to Lucille Boss (X83533)
 - a. Sub-recipient Agreement for Housing Authority of the County of Santa Barbara – West Cox Cottages
 - b. Sub-recipient Agreement for Housing Authority of the County of Santa Barbara – HomeKey Studios

Attachments:

- A) Sub-recipient Agreement for Housing Authority of the County of Santa Barbara – West Cox Cottages
- B) Sub-recipient Agreement for Housing Authority of the County of Santa Barbara – HomeKey Studios

Authored by: Kimberlee Albers, Homeless Assistance Program Manager