



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: Housing & Community
Development
Department No.: 055
For Agenda Of: 5/15/2007
Placement: Administrative
Estimated Tme: None
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department John Torell, CPA
Director(s) Housing and Community Development Department
Contact Info: Patricia Gabel, Housing Finance Manager, ext.3521

SUBJECT: **Set a Hearing for the Approval and Submittal of the Urban County 2007-2010
Consolidated Plan & 2007 Action Plan (CDBG)**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

- a. That the Board of Supervisors set a hearing on May 22, 2007 to consider the Approval and Submittal of the Urban County Consolidated Plan.

Summary Text:

The Consolidated Plan and annual Action Plan are mandated elements of the Federal Community Development Block Grant (CDBG) Program. The 2007-2010 *Consolidated Plan* includes a housing market analysis discussion of affordable housing and community development needs, a three-year strategy and one-year action plan. The information presented is designed to establish the needs for various types of affordable housing and community development projects throughout the County. The three-year strategy then presents priorities based on those needs.

The 2007-08 Action Plan provides details on the Santa Barbara Urban County's anticipated allocation and use of CDBG funds to carry out community development activities for the program year 2007-08. All activities provided preliminary funding through the Action Plan are consistent with the strategies, goals and priority needs articulated in the Urban County's 2007-2010 Consolidated Plan.

The Steering Committee, comprised of designated representatives from each member city, reviews and approves the 2007-2010 Consolidated Plan, the 2007-08 Action Plan as part of the administrative process. All projects/programs included in Action Plan are part of the Steering Committee approval.

Board approval of the Action Plan constitutes an approval of preliminary reservation of funds for the capital and human services projects identified through this year's NOFA process (see below). All projects will be brought to the Board of Supervisors individually for final approval prior to implementation.

Background:

Urban County designation - The County recently achieved Urban County, CDBG entitlement status (effective FY 2007-08) through a federally approved agreement whereby Lompoc relinquished its entitlement status to enable the County consortium to qualify.

Although in the past, the population of Santa Barbara County had approached the minimum population required for designation as an Urban County under Title I of the National Housing and Community Development Act of 1974, the subtraction of populations of entitlement jurisdictions (such as Santa Maria, Santa Barbara, Lompoc, and the newly incorporated City of Goleta) prevented the County from meeting the minimum population requirements (200,000) needed to qualify. The cooperative agreement between the County and Lompoc allows the County to meet the critical CDBG population requirements, creating an entity designated as the 'Santa Barbara Urban County'.

Three other area cities that were not receiving CDBG entitlement funds also joined the consortium (Buellton, Carpinteria and Solvang), completing the formation of the new entitlement jurisdiction. The County assumes the administrative lead for the Urban County consortium. While this program is not mandated, acceptance of funds to carry out community development activities requires the County to comply with the conditions attached to those funds, including the submittal of the Consolidated Plan and Action Plan.

As the lead agency of the Urban County Consortium, the County Housing and Community Development Department prepares the required Consolidated Plan and annual Action Plans on behalf of the consortium. The Consolidated Plan includes demographic data from the 2000 Census, including the CHAS (Comprehensive Housing Affordability Strategy) data, and information from relevant housing market analyses conducted by the consortium members and other local agencies in recent times. Furthermore, the Plan includes data on the homeless and relevant discussions as reported in the Continuum of Care (CoC) application.

CDBG funds available –

For Program Year 2007-08, the Federal Department of Housing and Urban Development (HUD) made available to the Santa Barbara Urban County \$2,074,256 in CDBG funds. Of this amount, the County retains twenty percent for program administration costs. Accordingly, a total of \$1,659,405 in CDBG funds will be made available through the Urban County to fund competitive projects. No more than fifteen percent of the CDBG project funds can be spent on human services. While the funds are allocated to the Urban County members based on a HUD formula, there are additional terms of agreement applicable to the City of Lompoc and the Unincorporated County allocations.

Since the Urban County was created as a result of Lompoc relinquishing their longstanding status as an entitlement jurisdiction, Lompoc will receive their HUD identified entitlement, and a negotiated percentage of the unincorporated County project funding allocation for each year, broken down as follows:

- Year 1 – 50.4% plus and additional portion of unincorporated County funds based upon 25.2% of Buellton, Carpinteria and Solvang allocations
- Year 2 – 25.2% plus and additional portion of unincorporated County funds based upon 12.6% of Buellton, Carpinteria and Solvang allocations
- Year 3 – 10.1% plus and additional portion of unincorporated County funds based upon 5.05% of Buellton, Carpinteria and Solvang allocations

Since Buellton and Solvang exercised their option of choosing not to participate in this year's Notice of Funds Available process, their allocations were added to the amount of unincorporated County funding available this year. Buellton and Solvang's 2007 formula allocations will be made available to them in a future year.

Identification of CDBG funding needs –

Subsequent to Urban County deliberations, extensive efforts were made to involve the area residents in developing community development priorities. A combination of community forums, presentations before neighborhood resident councils and focus group meetings were used to seek citizen input. These forums were held at various geographic locations throughout the County and geared for a wide cross-section of community residents. Staff of the Urban County made presentations on eligible activities under the CDBG program, and sought feedback on affordable housing and community development priorities. The County Housing and Community Development Department also conducted an informal survey of community stakeholders including elected officials, service providers and members of the general public, in order to gain input on prioritizations of community needs.

Based upon this input, the Housing Finance division of the Housing and Community Development Department (Housing Finance) published a Notice of Funds Available (NOFA) letter on February 1st, 2007, inviting submission of applications for funding proposed capital and human services projects. Housing Finance also worked with County Departments to identify projects meeting the citizen – identified priorities. Prior to the February 20th application deadline, HCD Finance staff conducted two community development forums on February 12, 2007 in Santa Barbara and Santa Maria. The purpose of the forums was to review identified needs and program goals, discuss funding priorities for 2007-08, and provide information regarding resources available and the application process for those persons and organizations interested in developing affordable housing or implementing community development activities.

Funding applications submitted were reviewed by either the County's Technical Review Committee, Affordable Housing Loan Committee (capital projects) or the Applications Review Committee (human services funding requests).

- a. **Capital Projects** - In consultation with a consultant from the National Development Council and County General Services Real Estate Services Manager, Ronn Carlentine, Housing and Community Development Department staff (Technical Review Committee) analyzed

applications and forwarded funding recommendations to the Affordable Housing Loan Committee. The Loan Committee met on March 8 to determine preliminary funding reservations. On April 24 the Committee met to finalize funding recommendations, which are included in the 2007-08 Action Plan attached for Board consideration and approval.

For the program year 2007-08, the following capital projects have been identified for CDBG funding from the unincorporated County, Lompoc and Carpinteria formula allocations:

- Dahlia Court Apartments – Acquisition of adjacent land to existing low income affordable rental complex in Carpinteria in order to construct additional apartments.
- Lompoc Theater Restoration Project - This project is a public facility project that will involve restoration of a historic landmark and returning theatre to operation as a community asset. The use of CDBG funds for restoration of a public facility is eligible under code of Federal Regulations 570.210 (c).
- Street/Sidewalk Improvements - This project is a public facility project that will involve ADA sidewalk improvements at Pine Avenue between A Street and C Street. At the present time there is no sidewalk in this area, which is adjacent to a senior mobile home park, and is well traveled by pedestrians in the area.
- Housing Programs: City - This housing program administers 3 sub-programs, the *Housing Rehabilitation Revolving Loan Fund*, the *Emergency Repair Grant* Program, and the *Housing Rehabilitation Delivery* Program. The Housing Rehabilitation Revolving Loan and Grant Program includes marketing and promotion, responding to inquiries, working with homeowners and contractors on developing a scope of work, verifying contractor license and insurance requirements, ordering home inspections and lead based paint testing for homes built before 1978, creating loan documents, working with homeowners on executing the loan and securing the lien on the property title, providing on-going loan servicing services, facilitating payments to contractors, and providing loan re-financing or reconveyance services when needed.
- Casmalia Water System Improvements - The project involves the design and construction of replacement water piping and tank facilities to replace deficient facilities, upgrading electrical building and facilities to comply with code requirements, and improvements to the existing well facility. The service connections will also be upgraded or replaced.
- New Cuyama Recreation Center - The scope of this project involves finding an appropriate project site to construct key public facilities needed by an existing community. This community facility will house public health, library, meeting and recreational amenities including a community pool and support facilities.

ATTACHMENT E provides details on Capital Project funding amounts and locations.

- b. **Human Services** - Applications were received and reviewed by an Application Review Committee comprised of a volunteer community member from Santa Barbara, a volunteer community member from Lompoc, and a representative of the County Public Health Department. The committee met on March 12th, 2007 and March 19th, 2007 to review each application and interview each applicant. The cities of Lompoc and Carpinteria held their own approval processes for the award of CDBG human services funds.

As stated above, Board approval of the Action Plan constitutes an approval of preliminary reservation of funds for the capital and human services projects identified through this year's NOFA process. All

projects will be brought to the Board of Supervisors individually for final approval prior to implementation.

In accordance with the County's Citizen Participation Plan, the Consolidated Plan/Action Plan was published in the Santa Barbara New Press, Santa Maria Times, and Lompoc Record on April 13th announcing the 30-day review period for the Plans, which commenced on April 14th. All public comments received will be included in the Action Plan to be submitted to the Federal Department of Housing and Urban Development.

Performance Measure:

Safe and Healthy Families: Housing for all Segments of the Population

Fiscal and Facilities Impacts:

Budgeted: Yes **Fiscal Analysis:**

Narrative: Submission to and approval by HUD of the annual Action Plan is required for receipt of the Federal CDBG funds. For County fiscal year 2007-08 that amount is \$311,111 percent of which is available to the County for program administration. The Housing Finance budget can be found on pages D250 & D251 of the current fiscal year County Budget.

Staffing Impacts:

Legal Positions:

n/a

FTEs:

n/a

Special Instructions:

Set a Board Hearing on the Departmental Agenda for 30 minutes on May 22, 2007.

Attachments:

None

Authored by: Brooke Allen, Housing Program Specialist I

cc: