



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:** September 22, 2015  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department George Chapjian, Community Services Director (805) 568-2467  
Director  
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523  
Laurie Baker, Grants and Program Manager (805) 568-3521  
**SUBJECT:** Approve a Sub-recipient Agreement with the City of Lompoc to administer a  
HOME funded Tenant Based Rental Assistance (TBRA) program (District 4)

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

- a) Approve and authorize the Chair of the Board of Supervisors to execute an original and duplicate original of the Sub-recipient Agreement (Attachment A) in the amount of \$84,330 with the City of Lompoc to administer a Tenant Based Rental Assistance (TBRA) program funded through the County HOME Consortium, and approved by Lompoc's City Council for a period of two (2) years from the date of execution of the Agreement; and
- b) Determine that the proposed action is exempt from the California Environmental Quality Act (CEQA) guidelines, pursuant to Section 15378(b)(4), finding that the action is a creation of a governmental funding mechanism or other government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and direct staff to file a Notice of Exemption (Attachment B).

**Summary Text:**

The County of Santa Barbara serves as a lead agency for the local HOME Consortium, which includes the County and the cities of Carpinteria, Goleta, Buellton, Solvang, Lompoc and Santa Maria. The HOME Consortium receives an annual allocation of HOME Investment Partnerships funds (HOME) from the U.S. Department of Housing and Urban Development (HUD). The purpose of HOME funding is to expand the supply of affordable housing to low income households.

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Each Consortium member city receives a sub-allocation of HOME funds that may be used for programs and projects in their own communities.

On May 12, 2015, the Board of Supervisors approved the FY 2015-16 Action Plan, which included the City of Lompoc's plan to use its sub-allocation of HOME funds, in the amount of \$84,330 for a Tenant-Based Rental Assistance (TBRA) program. The Division of Housing and Community Development (HCD) has drafted a Subrecipient Agreement to be executed between the County and the City of Lompoc. The Subrecipient Agreement is deemed a "Board Contract" because the City of Lompoc has received more than \$100,000 from the County in the last fiscal year.

The TBRA program will provide security and utility deposit payments on behalf of eligible low income households. The Sub-recipient Agreement also will permit the City of Lompoc to provide monthly rental assistance payments.

**Background:**

The City currently administers a TBRA program utilizing its FY 2014-15 sub-allocation of HOME funds (\$118,124). That Agreement did not go into effect until July 8, 2015 because of a change in the use of the funds by the City of Lompoc. The FY 2014-15 Action Plan included the City of Lompoc's initial plan to utilize its HOME funds for a first-time homebuyer program. On June 23, 2015, the Board approved a substantial amendment to the FY 2014-15 Action Plan to change the use of the City's FY 2014-15 sub-allocation to a TBRA program. The FY 2014-15 agreement terminates on July 6, 2017.

The FY 2015-16 Subrecipient Agreement will provide the City with an additional \$84,330 for its existing TBRA program and will enable the City to continue operating that program until September 21, 2017. The two year term of the Agreement will allow the City sufficient time to expend the funds.

**Performance Measure:**

The City expects to serve 47 low-income households that might not otherwise be able to find decent, safe, affordable housing.

**Fiscal and Facilities Impacts:**

**Budgeted:** Yes.

The County received an allocation of \$861,739 in HOME funds for FY 2015-16, which was distributed to HOME Consortium member cities on a pro-rata share basis. The City of Lompoc is using its pro-rata share of \$84,330 in HOME funds for the TBRA program, and it was included in the County's FY 2015-16 Action Plan.

After the 2015-16 fiscal year, which will end on June 30, 2016, the City of Lompoc will no longer be a member of the Santa Barbara County HOME Consortium, and will no longer receive a sub-allocation of HOME funds from the County HOME Consortium. In accordance with HOME regulations, the County has five years to expend HOME funds. Therefore, FY 2014-15 HOME funds must be expended on or about June 30, 2019 and FY 2015-16 HOME funds must be expended on or about June 30, 2020. The TBRA Agreements between the County and the City of Lompoc are stand-alone sub-recipient

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agreements, which do not require the city to be a HOME Consortium member, and include dates that the agreements will terminate. The County will administer the City's TBRA agreement through the terms of the agreements or until all the funds are expended, whichever occurs first.

Staff estimates that 76 hours of staff time will be required to administer and monitor the program from contract execution to contract termination. Therefore, the cost to administer the program is estimated to be \$4,203. These costs are included in the approved budget.

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State			
Federal (HOME)			\$ 84,330.00
Fees			
Other:			
Total	\$ -	\$ -	\$ 84,330.00

**Key Contract Risks:**

HUD could require the County to repay HOME funds expended for ineligible expenses with non-federal funds. The Sub-recipient agreement specifies eligible expenses and County staff will review each payment request submitted by the City to ensure that expenses incurred were for eligible costs. HOME funds will be provided to the City on a reimbursement basis and payments made by the City for ineligible costs will not be reimbursed. Further, County staff will conduct annual monitoring to assure that the program is being administered in accordance with HOME regulatory requirements.

**Staffing Impacts:**

Current HCD staff will administer the contract.

**Special Instructions:**

- Execute three (3) original copies of Attachment A (a copy for the Subrecipient, a copy for HCD, and a copy for COB). Contact Phil Willis-Conger, 503-568-3549 [PWillis-Conger@sbccsd.org](mailto:PWillis-Conger@sbccsd.org), when ready for pick up.
- Provide a copy of the minute order reflecting Board Action

**Attachments:**

- A) Subrecipient Agreement
- B) CEQA Notice of Exemption