



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:** December 13, 2022  
**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:** George Chapjian, Director, (805) 568-3407  
Contact Info: Dinah Lockhart, Deputy Director, (805) 568-3523  
Laurie Baker, Grants and Program Manager (805) 568-3521  
**SUBJECT:** Approve and execute a Community Development Block Grant (CDBG) subrecipient agreement and two amendments to CDBG agreements to implement projects approved by the Board of Supervisors on May 3, 2022

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**County Counsel Concurrence**

As to Form: Yes

**Auditor-Controller Concurrence**

As to Form: Yes

**Other Concurrence: Risk Management**

As to Form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve and authorize the Chair of the Board to execute a Community Development Block Grant (CDBG) Subrecipient Agreement (Attachment A) in the amount of \$290,448 between the County and PATH, a California nonprofit public benefit corporation (PATH), and delegate to the Director of the Community Services Department authority to approve and execute amendments on behalf of the County to make any one or more of the following changes:
  - i. Revisions to the amounts in each budget line item, provided that the overall amount of the CDBG funds is not increased, and additions to or deletions of line items in the budget, provided that all expenditures are eligible under the CDBG Program
  - ii. Administrative changes to the Agreement that are necessary in order to conform with federal, state, or local governmental laws and regulations
  - iii. Changes extending the length of the contract term up to a maximum of six months
  
- b) Approve and authorize the Chair of the Board to execute a Second Amendment to the Community Development Block Grant (CDBG) Subrecipient Agreement (Attachment B) between the County and Habitat for Humanity of Southern Santa Barbara County, Inc. (Habitat for Humanity), increasing the contract amount to \$80,000, and extending the contract term through June 30, 2023;

- c) Approve and authorize the Chair of the Board to execute a Second Amendment to the Community Development Block Grant (CDBG) Subrecipient Agreement (Attachment C) between the County and Santa Barbara Neighborhood Clinics (SBNC), increasing the contract amount to \$387,891 and extending the contract term through December 31, 2023; and
- d) Determine that none of the recommended actions constitute the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301, as
  - i. Recommended Action A consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use, and direct staff to file a Notice of Exemption on that basis; and
  - ii. Recommended Actions B and C do not constitute the acceptance and approval of a project that is subject to environmental review under CEQA pursuant to CEQA Guidelines section 15378(b)(4), finding that such actions consist of the 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 physical impact on the environment.

**Summary Text:**

On May 3, 2022, the Board of Supervisors approved the FY 2022-23 Action Plan (Plan) and directed staff to submit the Plan to the U.S. Department of Housing and Urban Development (HUD). The Plan included awards of CDBG funds to public services programs and capital projects. Staff is requesting the Board approve a CDBG Subrecipient Agreement (Attachment A) for \$290,448 with PATH for renovation of its Santa Barbara shelter. The Board is also asked to authorize the Chair to execute a Second Amendment to the CDBG Subrecipient Agreement (Attachment B) between the County and Habitat for Humanity of Southern Santa Barbara County, increasing the contract amount to \$80,000, and extending the contract term through June 30, 2023. This will enable Habitat to continue its Low-Income Homeowner Minor Home Repair Program. Recommended Action C asks Board to execute a Second Amendment to the CDBG Subrecipient Agreement (Attachment C) between the County and SBNC, increasing the contract amount to \$387,891, and extending the contract term through December 31, 2023. The additional funds will cover construction costs for a sewer hookup and septic abandonment, for which funding was previously provided to cover project planning costs.

**Background:**

On May 3, 2022, the Board of Supervisors approved the Plan and directed staff to submit the Plan to HUD. The Plan included awards of CDBG funds to public services programs and capital projects. HUD has provided the 2022-23 funds to the County's line of credit, which enables County HCD to move forward with CDBG projects.

The CDBG Public Services contracts have been executed and the programs are underway. The chart below shows the Capital projects that were approved for inclusion in the FY 2022-23 Annual Action Plan and

require the signature of the Board Chair. The Unity Shoppe has withdrawn its application as it was unable to meet Federal requirements for CDBG projects.

The funding for PATH’s Phase 3 Renovations, as approved in the FY 2022 Annual Action Plan, will cover renovations at PATH’s Santa Barbara shelter including a complete remodel of the second-floor women’s restroom, installation of additional security cameras, replacement of lockers, painting of the building’s exterior, and waterproofing of an exterior deck.

On April 20, 2021, the Board of Supervisors approved CDBG funds for the SBNC Septic System Abandonment and Public Sewer Facility Connection in the amount of \$22,763, as part of the FY 2021 Annual Action Plan, and executed a contract with SBNC on December 7, 2021. This grant allowed SBNC to begin preparatory work, including site surveys and drafting of plans, for its Goleta Clinic’s septic abandonment and connection to the Goleta municipal sewer system. Additional funds in the amount of \$365,128 to carry out the planned SBNC improvements were approved by the Board as part of the FY 2022 Annual Action Plan. Staff requests that the Board amend the FY 2021 agreement to add the approved FY 2022 funds and ensure the SBNC project can move forward uninterrupted.

On April 20, 2021, the Board of Supervisors approved \$40,000 in CDBG funds for Habitat for Humanity’s Low-Income Homeowner Minor Home Repair Program, and executed a contract with Habitat for Humanity on December 7, 2021. Additional funds in the amount of \$40,000 were approved for the Habitat for Humanity program as a part of the FY 2022 Annual Action Plan. As this is an ongoing program, Staff requests that the Board amend the FY 2021 agreement with Habitat for Humanity to add the approved FY 2022 funds, which will allow continuity of funding for Habitat for Humanity’s program.

Organization	Project Description	Approved Amount/Contract Type
PATH	Phase 3 Shelter Renovations	\$290,448 Board Contract
Santa Barbara Neighborhood Clinics	Septic System Abandonment and Public Sewer Facility Connection Improvements	\$365,128 Amendment to 2021 Contract
Habitat for Humanity of Southern Santa Barbara County	Low-Income Homeowner Minor Home Repair Program	\$40,000* Amendment to 2021 Contract
Unity Shoppe	Furnace and HVAC Replacement/Installation	Project withdrawn
<b>Total Funds Allocated to FY 2022-23 Capital Projects</b>		<b>\$695,576</b>

\*Requires signature by Board Chair as funds are being added to a prior year contract.

**Performance Measure:**

Exhibit A of each subrecipient agreement includes a detailed scope of work, and the projected number of persons or households who will benefit from the applicable project. Each subrecipient will report to HCD monthly on such subrecipient’s progress to assure HCD that such subrecipient is meeting stated goals. Furthermore, the rate of CDBG expenditures is monitored by HCD to assure that projects are progressing in accordance to established timelines and HUD regulations.

Funds are provided to subrecipients on a reimbursement basis, and HCD staff will ensure that projects expenses are allowable per CDBG and other federal regulations.

**Contract Renewals and Performance Outcomes:**

N/A

**Fiscal and Facilities Impacts:**

CDBG funds are allocated to the County on an annual basis from HUD. Federal CDBG funds are awarded to the County as grants. Twenty percent (20%) of the CDBG grant may be used to cover County costs to administer the federal programs. County general funds are used for a portion of HCD administrative expenses.

**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			\$ 695,576.00
Fees			
Other:			
Total	\$ -	\$ -	\$ 695,576.00

**Key Contract Risks:**

HUD holds the County accountable for ensuring that federal funds expended are for eligible costs, and could require repayment by the County, with non-federal funds, for ineligible expenses. CSD will make payments to the subrecipient on a reimbursement basis and, to receive payment, the subrecipient must provide documentation that supports eligible expenditures that are consistent with the contract budget and federal regulations. If a subrecipient does not meet performance measures or federal regulations, the County may withhold funds or terminate the contract with such subrecipient.

**Staffing Impacts:**

The federal programs are administered by existing HCD staff.

**Special Instructions:**

1. Please have the Board Chair sign two copies of each of the Subrecipient Agreement with PATH (Attachment A) and the Amendments to the Agreements with Habitat for Humanity and SBNC (Attachments B and C, respectively). Return one signature page of each amendment and agreement to James Francis at HCD. Please call ext. 3549 for pick-up. A full copy of each agreement and amendment, with originals signatures, may be retained by COB.
2. Please provide a copy of the Minute Order to [jfrancis@countyofsb.org](mailto:jfrancis@countyofsb.org) or place with agreements for pick up.

**Attachments:**

Attachment A: Subrecipient Agreement with PATH (People Assisting the Homeless)

Attachment B: Second Amendment to Agreement with Habitat for Humanity of Southern Santa Barbara County, Inc.

Attachment C: Second Amendment to Agreement with Santa Barbara Neighborhood Clinics

Attachment D: May 3, 2022 Board Action Summary

**Authored by:**

James Francis, Housing Program Specialist

**cc:**