



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: HCD
Department No.: 055
For Agenda Of: 5/19/09
Placement: Set Hearing
Estimated Tme: 60 minutes on 6/2/09
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department John McInnes, 568.3552
Director(s)
Contact Info: Carlos Jimenez, Division Manager, 568.3523
SUBJECT: ARRA: Substantial Amendment to Consolidated Plan 2008-2009 Annual Action Plan for the Community Development Block Grant for CDBG-R

County Counsel Concurrence

As to form: Select_Concurrence

Other Concurrence: Select_Other

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors set a hearing for June 2, 2009 to:

- (A) Select projects to be included within the Substantial Amendment to the County's Consolidated Plan 2008-2009 Annual Action Plan for the Community Development Block Grant program.
- (B) Authorize the County Executive Officer to execute and submit the Substantial Amendment to the County's Program Year 2008-09 Consolidated Plan Annual Action Plan to the Department of Housing and Urban Development in order to receive funding through the American Recovery and Reinvestment Act of 2009.

Summary Text:

Santa Barbara County has been allocated \$542,154 in supplemental Community Development Block Grant under the Obama Administration's American Recovery and Reinvestment Act (ARRA). The United States Department of Housing and Urban Development requires jurisdictions to prepare and submit a Substantial Amendment to their Consolidated Plan's 2008-09 Annual Action Plan in order to realize the funding.

Background:

As part of ARRA, the Department of Housing and Urban Development (HUD) received a supplemental allocation of \$1 billion for the Community Development Block Grant (CDBG) program. On February 25, 2009, HUD allocated ARRA funds to entitlement grantees. For its part Santa Barbara County was conditionally awarded \$542,154 in supplemental CDBG-R funding. Under the current Urban County Consortium Agreement, Santa Barbara County is obligated to pro-rate this funding and offer a share to

ARRA: Substantial Amendment to Program Year 2008 Community Development Block Grant Action Plan

May 19, 2009

Page 2 of 3

its partner jurisdictions of Lompoc, Carpinteria, Buellton and Solvang. On May 5, 2009, HUD issued a Notice in the Federal Register establishing the operating procedures and guidance pertaining to the use of the Community Development Block Grant recovery funds. **Per the Notice, entitlement communities must submit a substantial action plan amendment to the appropriate HUD field office by no later than June 5, 2009.**

In the ARRA implementation notice and guidance, HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, HUD strongly recommends that grantees incorporate consideration of the public perception of the Recovery Act in identifying and selecting projects for CDBG-R funding, the intent and spirit of which is “to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care.” It also seeks to create employment opportunities and job growth through providing funding for “shovel-ready,” CDBG-eligible capital projects.

Contained within the Notice, HUD recognized that grantees “should not assume that normal CDBG funding distribution procedures can meet the goals for obligation of the CDBG-R funding,” adding, “if a grantee’s normal funding process mandates a lengthy Request for Proposals, lengthy procurement actions, or other process that would take months to produce funding recommendations, grantees should.... expedite the process.” HUD affirmed that some Urban County funding procedures that distribute funds on a proportional basis could result in funding awards that are too small to be used expeditiously and productively. Staff is conferring with participating jurisdictions and their funding requirements will be reported at the hearing.

Relative to the County’s allocation share, HCD staff contacted other County Departments including General Services, Public Works, Social Services and the Parks Department to explore and identify a list of potential pipeline projects that might conceivably be implemented in a timely and expeditious manner. The potential project list that will be presented to the Board will include: a) those that meet CDBG National Objectives and other qualifying criteria in terms of beneficiaries; b) those that have a delineated budget and scope of work. Utilizing HUD’s mandates, HCD staff is analyzing and will provide recommendations prior to the hearing for project selection and inclusion in the Substantial Amendment to the County’s Consolidated Plan 2008-2009 Annual Action Plan.

Performance Measure:

Fiscal and Facilities Impacts: Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized</u> <u>On-going Cost:</u>	<u>Total One-Time</u> <u>Project Cost</u>
General Fund			
State			
Federal	\$ 542,154.00		
Fees			
Other:			
Total	\$ 542,154.00	\$ -	\$ -

ARRA: Substantial Amendment to Program Year 2008 Community Development Block Grant Action Plan

May 19, 2009

Page 3 of 3

Narrative:

A budget revision in the amount of \$542,154 will be prepared for Board consideration once HUD has approved the Substantial Amendment and provided the County with a grant agreement for this program. Utilizing the current Urban County Agreement as basis and in consideration of an allowable 10% administrative allocation of \$54,215-- \$13,554 of which will be allocated to the City of Lompoc-- the balance of the funding will be distributed formulaically as follows below. Dependent on whether or not participating jurisdictions agree to move forward with projects in their jurisdictions, their allocation amounts will move Santa Barbara County's side of the ledger.

County	Lompoc	Carpinteria	Solvang	Buellton
\$307,450	\$121,985	\$39,865	\$9,515	\$9,124

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions:

Attachments:

Authored by: Carlos Jimenez, Division Manager

cc: