



**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:** September 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:** Department George Chapjian, Community Services Director (805) 568-2467  
Director  
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523  
Laurie Baker, Grants Program Manager (805) 568-3521  
**SUBJECT:** **Approval and Execution of Third Amendment to Subrecipient Agreement with United Way of Santa Barbara County for continued administration and implementation of the Emergency Rental Assistance Program (“ERAP”) pursuant to Santa Barbara County’s direct allocation of United States Department of the Treasury (Treasury), Emergency Rental Assistance Round One (ERA 1), funds.**

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**County Counsel Concurrence**

As to form: Yes

**Risk Management**

As to form: Yes

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**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors (Board):

- A. Approve and authorize the Chair to execute a Third Amendment to the Subrecipient Agreement (“Third Amendment”) with United Way of Santa Barbara County for continued administration and implementation of an Emergency Rental Assistance (ERA) Payment Program funded under the 2021 Consolidated Appropriations Act that created the initial ERA program (ERA 1) for a new total contract maximum amount not to exceed \$16,478,948.68, (Attachment A); and
- B. Determine that the above recommended actions are not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the project is a 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:**

Staff is recommending that the Board of Supervisors approve and authorize execution of a Third Amendment to the Subrecipient Agreement with United Way of Santa Barbara County for continued implementation of ERAP. ERAP ERA 1 is funded through the U.S Treasury Department pursuant to the Consolidated Appropriations Act of 2021 (“Act”), which was signed into law on December 27, 2020, and included \$25 billion in emergency rental assistance.

This Third Amendment increases the overall ERAP ERA 1 project budget by \$1,001,370.54, from \$15,477,578.14 to \$16,478,948.68. This is pursuant to the County having been notified of this award amount on July 18, 2022, after submitting its 3<sup>rd</sup> Request for Reallocated funds on June 9, 2022. The Third Amendment also extends the term of the Agreement to December 29, 2022, from the current termination date of September 30, 2022, as authorized by the U.S. Treasury. The total of ERA 1 funds available under this Third Amendment, including this 3<sup>rd</sup> reallocation, is in the aggregate amount of \$16,478,948.68. The project budget is included as Attachment B to this Board Letter and the associated Expenditure Summary and Payment Request Form (ESPR) as Attachment C.

**Background:**

The Consolidated Appropriations Act of 2021

The President signed the Consolidated Appropriations Act of 2021 on December 27, 2020, which included \$25 billion in emergency rental assistance (ERA 1). The County was initially allocated \$13,275,190 in Treasury ERA 1 funds, which United Way of Santa Barbara County (United Way) administers on behalf of the County.

Since receiving the initial allocation of ERA 1 funds, the County has received three additional allocations of ERA 1 funds from unused and returned funds by jurisdictions with less need for ERA 1 funds, increasing the total County allocation of ERA1 funds to \$16,478,948.68. The chart below shows the reallocation amounts requested and received.

<b>Reallocation Request Submitted</b>	<b>Amount Requested</b>	<b>Amount Received</b>	<b>Board Approval of UW Amendment</b>
November 2021	\$37,180,125	\$1,156,932.68	4/19/22
January 2022	\$31,460,126	\$1,045,455.46	4/19/22
June 2022	\$22,549,568	\$1,001,370.54	Today’s Recommendation

The increased ERA 1 Round Three reallocated funding subject to this Third Amendment allows for United Way to continue to process payments to landlords for tenants’ arrears in rent, utilities, and related housing costs resulting from COVID 19 emergency conditions. Board approval today of the Third Amendment also extends the Agreement term to December 29, 2022.

The United Way application portal was initially opened to accept applications on February 16, 2021, and closed on March 31, 2022.

In addition, the State of California received an allocation of ERA 1 funds, of which \$14,287,321 was allocated to the County but administered directly by the State via the State's Housing is Key program ([https://housing.ca.gov/covid\\_rr/dashboard.html](https://housing.ca.gov/covid_rr/dashboard.html)).

#### American Rescue Plan Act

The American Rescue Plan Act, passed into law on March 11, 2021, included \$21.6 billion for Emergency Rental Assistance (ERA 2). The County received \$16,610,602 in ERA 2 funds from the U.S. Treasury, which the United Way also administers on behalf of the County.

The State also received an allocation of ERA 2 funds, of which \$12,453,350 was awarded to the County. The County chose to directly administer these State ERA 2 funds as an "Option B" jurisdiction through a separate subrecipient agreement executed with United Way. on April 19, 2022. Currently, the County has available \$4,981,340.37 in ERA 2 (Tranche 1) of this allocation. The ERA 2 funds must be fully expended by December 30, 2024. Additional background and detail in this regard is included in Attachment D, the April 19, 2022 Board Letter. (The United Way ERA 1 Amendment and ERA 2 Subrecipient Agreement were addressed by the Board as companion items at the April 19 meeting.)

#### Additional Board Action – State Cash-Flow Loan:

On May 24, 2022, the Board approved an Authorizing Resolution for acceptance of a potential future cash-flow loan from the State of California. This action was pursuant to the State's passage of SB 115 that ensured, among other things, that every qualified applicant for ERAP assistance that applied on or before March 31, 2022 receives assistance. In this regard, in the event that local jurisdictions' available funding pools of ERA 1 and ERA 2 are insufficient to meet the need for financial assistance to qualified households that applied by the deadline, the State will provide a forgivable loan to assist these households. The Authorizing Resolution approved by the Board has been submitted to State HCD and reflected an estimated projected need of \$31,460,126.

The Master Standard Agreement pursuant to the County's application submitted for the SB 115 cash-flow loan has still not been issued by the State. As a condition of continued qualification for the cash-flow loan, if necessary to draw upon, County must continue to apply for reallocated ERA 1 and ERA 2 funds as available. Today's Board action meets this criterion as the County is receiving its 3<sup>rd</sup> reallocation of ERA 1 Treasury funds. Additional detail related to this Board Action is referenced in Attachment E, the May 24, 2022 Board Letter. It is conceivable that the County may have to draw from cash-flow loan proceeds in the future given current projections of financial needs and growing requests per household, currently about \$10,000 per household.

The Chart below reflects current ERA 1 and ERA 2 status, effective June 30, 2022.

<b>ERA Assistance Provided</b>	<b>ERA 1 2021-22</b>	<b>ERA 2 2021-22</b>	<b>Total ER1 &amp; ERA 2 2021-2022</b>
Number of unique households that received their initial ERA Assistance:	1782	677	2459
Rent	1611	660	2271
Utilities/Home energy bills	848	318	1166
Reallocation/Hotel expenses	0	41	41
Total amount ERA award paid to participating households:	<b>\$ 14,039,460.81</b>	<b>\$ 7,927,059.27</b>	<b>\$ 21,966,520.08</b>
<b>Participant Households at certain income levels</b>			0
Between 30% and 50% AMI	1491	461	1952
Between 50% and 80% AMI	130	34	164

4/3/22-7/2/2022

Average number of applications processed per month	15	73	88
Obligated Funds	\$ 15,126,898.34	10,116,549.70,	\$ 25,243,448.04
Expended Funds	\$ 14,967,945.95	\$ 8,586,840.34	\$ 23,554,786.29
Applications received	6,558	4568	11126
Applications Processed	1,714	861	2575

**Performance Measure:**

For the term of the Third Amendment through December 29, 2022, the County shall provide and report in the federal Treasury ERAP Reporting Portal, and to State HCD, with requested data elements demonstrating performance in meeting federal and state guidelines and regulations related to ERA 1 and ERA 2 obligations and expenditures.

**Fiscal and Facilities Impacts:**

County general funds have been budgeted and are used for a portion of HCD’s overall administrative expenses; however, no County funds are being used to fund rental assistance payments under the Program.

**Fiscal Analysis:**

Federal				1,001,370.54	
Other:					
<b>Total</b>	\$	-	\$	-	1,001,370.54

**Key Contract Risks:**

It is possible the U.S. Department of Treasury could require the County to repay ERA 1 federal funds expended for ineligible expenses. However, County staff meets weekly with the United Way to address questions and concerns related to ERAP in addition to discussing ERA 2 Program-specific issues as they may arise. Moreover, for any inquiries that may require additional guidance and technical assistance, County HCD reaches out to federal and state partners for clarification and direction. In this context County exposure to risk is ongoing and continual; it is also limited as a result.

**Staffing Impacts:**

No new staffing impacts.

**Special Instructions:**

1. Please have the Board Chair sign TWO (2) originals of the 3<sup>rd</sup> Amendment (Attachment B).
2. Please return one set of the executed original documents and a copy of the Minute Order to Carlos Jimenez. Please email [cjimenez@countyofsb.org](mailto:cjimenez@countyofsb.org) or call ext. 83529 when ready for pick up.
3. Please retain one set of the executed original documents listed below for COB records.

**Attachments:**

- A: United Way Subrecipient Agreement Third Amendment
- B: ERA 1 Project Budget
- C: ERA 1 Expenditure Summary and Payment Request Form (ESPR)
- D: April 19, 2022 Board Letter
- E: May 24, 2022 Board Letter -SB 115 Cash Flow Loan Board Letter

September 13, 2022  
ERA 1 Treasury Funds, Third Amendment

**Attachment A**

Third Amendment to UW Subrecipient Agreement

**Attachment B**

Exhibit B- Project Budget

**Attachment C**

Exhibit C- Project ESPR

September 13, 2022  
ERA 1 Treasury Funds, Third Amendment

**Attachment D**

Exhibit D- April 19, 2022 Board Letter

**Attachment E**

Exhibit E- May 24, 2022 Board Letter