

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
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Agenda Number:

Prepared on: 6/07/2004
Department: Housing and Community Dev.
Budget Unit: 055
Agenda Date: 07/06/2004
Placement: Administrative
Estimate Time: None
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Edward Moses
Housing and Community Development Department
Housing Finance Division

**STAFF
CONTACT:** Patricia Gabel, ext. 3522

SUBJECT: Amendment to 2004 Consolidated Plan

Recommendation(s):

That the Board of Supervisors:

Approve the amendment to 2004 Consolidated Plan (Attachment A) and authorize the Director of Housing and Community Development to submit the amendment to the U.S. Department of Housing and Urban Development.

Alignment with Board Strategic Plan:

The recommendation is primarily aligned with Goals No. 5 and No. 7. Maintain and Enhance the Quality of Life for all Residents, and Strengthen the Safety and Well-Being of Children and Their Families to Ensure a Strong Future for our Community.

Executive Summary and Discussion:

The United States Department of Housing and Urban Development (HUD) awards HOME Investment Partnerships (HOME) Program funds annually to entitlement jurisdictions, such as the County of Santa Barbara. The County of Santa Barbara is the lead agency in the HOME Consortium that includes the cities of Buellton, Carpinteria, Goleta, Lompoc, Santa Maria, and Solvang. Home regulations mandate an annual update to the County of Santa Barbara HOME Consortium's Consolidated Plan (also known as Action Plan) to avail this entitlement.

In accordance with the federal requirement, the Board of Supervisors approved the 2004 Action Plan of the Santa Barbara County HOME Consortium on May 4th, 2004. The Action Plan includes an inventory of the current resources available for affordable housing as well as the list of projects proposed to be funded with 2004 HOME and other County funds. However, anytime a HOME jurisdiction makes changes to its Action Plan funding allocations, the Program rules require that the jurisdiction amend its Action Plan.

The purpose of this amendment is to add \$907,061 to the St. Vincent Gardens Family Rental Development funding allocations proposed in the 1999, 2001 and 2003 Santa Barbara County HOME Consortium Consolidated Plan Update (a.k.a., Action Plan). The additional funding brings the total Project allocation to \$4,369,561 that includes HOME, CDBG and SOUTH Coast Local funds. The extra funds are to fill a financing gap identified at a latter stage.

Hoping to reduce construction costs, the County and the City of Santa Barbara staff required that the Sponsor conduct another competitive bid that included local contractors during the development stage of the project. As bidding was still underway, the final construction cost was yet unavailable at the time of the current program year's annual Notice of Funds Available (NOFA) process. Since the need for additional funds had not been identified, the Sponsor did not apply for any additional funds at the time. However, after the completion of the construction bid process, an increased funding gap was identified. As now the exact gap amount has been identified and the construction on this project is due to start this summer of 2004, the Project Sponsor has requested additional funds to address the increased costs. Staff is recommending that \$347,574 of the \$1,000,000 in HOME funds be reprogrammed from the Sumida Gardens Apartments identified in the 2004 Action Plan to this family rental development. The sponsor of Sumida Gardens Apartments is in concurrence with this recommendation as the timing of the Sumida project allows for reallocation of funds at a latter date.

In addition to the reprogrammed HOME funds, an additional \$559,487 in South Coast Local Funds is also recommended for the St. Vincent Gardens Apartments. Off this amount, \$500,000 is being reallocated from funds previously reserved for the Ocean Meadows Homeownership Development and the balance from unreserved local funds. The sponsor of Ocean Meadows concurred with this recommendation as the project will be taking several more years to develop.

The St. Vincent Gardens is a rental development that will provide 170 affordable units. This is by far the largest affordable housing project undertaken in the County and also a precedent-setting joint effort of the Santa Barbara County, the City of Santa Barbara, and the City Redevelopment Agency. Complete details of this project along with its security instruments and loan documents is being brought up before the Board of Supervisors on July 6th, 2004 as a separate administrative agenda item.

This amendment to the 2004 Consolidated Plan was published for public comment on May 28th, 2004 with comments received through June 28th, 2004. At the time of this writing, no comments from the public have been received. All public comments received will be provided to the Department of Housing and Urban Development along with the amendment.

Mandates and Service Levels:

This Housing and Community Development Department program is not mandated; however, acceptance of funds to carry out affordable housing activities requires the County to comply with the conditions attached to those funds. Accordingly, when a jurisdiction reprograms project funding, the HOME program regulations require an amendment to the Action Plan. As the lead agency in the HOME Consortium, it is the responsibility of Department of Housing and Community Development to ensure Program compliance.

Fiscal and Facilities Impacts:

The proposed action reprograms HOME funding already allocated in the 2004 Action Plan. There is no fiscal impact on this budget unit due to the change in allocation. As reported in the Action Plan, the federal formula allocation for the County program year 2004/05 is \$1,849,130, ten percent of which is available to the County for program and Consortium administration.

Concurrences:

Auditor-Controller
County Administrator
County Counsel

Special Instructions:

None

ATTACHMENT A – Amendment I, May 2004