



**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:** May 12, 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 Renée E. Bahl, Interim Community Services Director  
Director (805) 568-2467  
Contact Info: Laurie Baker, Grants and Program Manager (805) 568-3521  
Dinah Lockhart, Deputy Director (805) 568-3523  
**SUBJECT:** Approve (1) the Fiscal Year (FY) 2015-2020 Consolidated Plan, (2) the FY 2015-16 Community Development Block Grant (CDBG) and HOME Investments Partnership program (HOME) funding awards and, (3) the FY 2015-16 Action Plan.

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**County Counsel Concurrence**

As to form: Yes

**Risk Management**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A. Approve the final FY 2015-2020 Consolidated Plan and the final first year FY 2015-16 Action Plan, revised to include Board action on April 21, 2015;
- B. Direct staff to submit the FY 2015-2020 Consolidated Plan and final first year FY 2015-16 Action Plan to HUD;
- C. Authorize the County Executive Officer or her designee to execute the Application for Federal Assistance SF-424 and all certifications, standard forms, and other related documents required for the submittal to and approval by HUD of the FY 2015-2020 Consolidated Plan and first year 2015-16 Action Plan; and authorize the County Executive Officer or her designee to execute documents needed for acceptance and administration of HOME and CDBG funds; and

**Auditor-Controller Concurrence**

As to form: Yes

- D. Adopt and authorize the Board Chair to execute a Resolution in the Matter of the County approving for submittal the 2015-2020 Consolidated Plan and the FY 2015-16 Action Plan to the federal Department of Housing and Urban Development (Attachment A); and
- E. Authorize \$72,509 of the CDBG funds to be used for “Activity Delivery Costs” to cover staff costs incurred for project management. \$12,618 will be used for the management of public service programs and \$59,891 for the management of capital/other projects; and
- F. Direct staff to utilize the Capital Loan Committee to review applications from organizations that provided assistance to Micro-Enterprise Businesses; and
- G. Determine that the approval of the documents is 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, and direct staff to file a Notice of Exemption. Attachment D.

### **Summary**

On April 21, 2015, the County Board of Supervisors (Board) heard public comments on and approved the programs and projects to be funded with Community Development Block Grant funds that will be awarded to the County by the U.S. Department of Housing and Urban Development for FY 2015-16. The April 21, 2015 Board Letter is provided herein as Attachment B for reference.

The FY 2015-16 draft Action Plan has been revised to include:

- The CDBG-funded projects and programs approved by the Board on April 21, 2015; and
- The City of Santa Maria’s planned use of the City’s sub-allocation of HOME funds for a senior affordable housing project in the City; and
- That \$72,509 of the CDBG funds will be used for “Activity Delivery Costs” to cover staff costs incurred for project management. \$12,618 will be used for the management of public service programs and \$59,891 for the management of capital/other projects;
- The required federal application and certifications are included in the Appendix signed by the County Executive Officer.

The revised and final FY 2015-2016 Action Plan is provided herein as Attachment C.

The Board also approved the draft FY 2015-2020 Consolidated Plan and directed staff to revise the Consolidated Plan priorities to change the priority level for Economic Development programs from “Low” to “High.” The final Consolidated Plan includes the revised priorities (page 64). The Consolidated Plan also includes the following revisions:

- Five-year goals were completed with proposed number of persons or households to be served, or number of housing units to be created (page 76);
- A list of public comments is included in the appendix (Appendix A, page 3);
- The Plan may be further revised prior to submission to HUD to correct formatting, pagination and other administrative items, and may include additional information on the public noticing process.

The revised and final FY 2015-2020 Consolidated Plan is provided herein as Attachment C.

The Board also directed staff that it will not set a policy on a specific percentage or cap that the county may be awarded through CDBG grants, but instead will consider projects on an annual basis.

**Background**

The County is the lead entity of the CDBG Urban County partnership and the HOME Consortium. The current configuration of the Urban County consists of the County, and the cities of Buellton, Carpinteria, Lompoc and Solvang. The HOME Consortium includes the County, and the cities of Buellton, Carpinteria, Lompoc, Solvang, Goleta and Santa Maria.

<i><b>Current Urban County and HOME Consortium Configuration</b></i>	
<u>CDBG Urban County Partnership</u>	<u>HOME Consortium</u>
Unincorporated Santa Barbara County	Unincorporated Santa Barbara County
City of Buellton	City of Buellton
City of Carpinteria	City of Carpinteria
City of Lompoc	City of Lompoc
City of Solvang	City of Solvang
	City of Goleta
	City of Santa Maria

***Five-Year Consolidated Plan***

HUD requires that communities that receive CDBG, HOME and ESG funds draft a five-year Consolidated Plan, which includes identifying community priorities for the use of federal funds, a report on the community’s housing market, population profile and other information to assist City and County officials in making informed decisions.

The Consolidated Plan is due to HUD on May 15, 2015, which must be approved by the Board prior to submission to HUD.

***FY 2015-16 CDBG approved funding***

On April 21, 2015, the Board approved the following public services program to be funded with CDBG in FY 2015-16. These programs are included in the final FY 2015-16 Action Plan.

APPLICANT	PROJECT	BOARD APPROVED FUNDING AMT.
Community Action Commission of Santa Barbara County	Healthy Senior Lunch program	\$21,500
Good Samaritan Shelter	Bridgehouse emergency & transitional shelter	42,000
Sarah House Santa Barbara	Sarah House	14,500
Carrillo Counseling Services, Inc., dba New Beginnings	Community Counseling Center program	18,500
Pacific Pride Foundation	Food pantries in Santa Maria and Santa Barbara	13,000
Santa Ynez Valley People Helping People	Food, shelter, access to medical and social services, and freedom from violence services	28,000
Alliance for Pharmaceutical Access, Inc.	Case management and prescription medication assistance	12,500
<b>TOTAL</b>		<b>\$150,000</b>

On April 21, 2015, the Board approved the following capital and other eligible projects to be funded with CDBG in FY 2015-16. These projects are included in the final FY 2015-16 Action Plan.

PROJECT/ORGANIZATION	BOARD APPROVED FUNDING AMT.	PROJECT SPONSOR (County or Non-profit)
Service Center ADA & Energy Efficiency Improvements Santa Ynez Valley People Helping People	\$166,359	Non-profit
Senior Housing Emergency Railings St. Vincent's	30,000	Non-profit
Self-Employment Training Women's Economic Ventures (WEV)	50,000	Non-profit
Gray Street Transitional Housing Family Care network Inc.	200,000	Non-profit
Calle Real Sidewalk Improvements County Public Works Dept.	134,151	County
<b>TOTAL</b>		<b>\$580,510</b>

***Activity Delivery Costs***

The Board also approved the use of \$72,509 of CDBG funds to be used for “Activity Delivery Costs” to cover staff costs incurred for project management. \$12,618 will be used for the management of public service programs and \$59,891 for the management of capital/other projects.

***Housing Development***

The FY 2015-16 Action Plan includes the planned uses of HOME funds by the County’s HOME Consortium members. The City of Lompoc plans to use its pro rata share of HOME funds (\$84,330)

to administer a tenant-based rental assistance program and the City of Santa Maria plans to use its pro rata share (\$199,107) on affordable housing development. The other cities (Buellton, Solvang, Carpinteria, and Goleta) and the County will pool their pro rata shares for affordable housing development.

Applications for affordable housing development are accepted on a year-round basis. CSD staff will return to the Board on a future date for approvals of either a time-limited funding reservation or funding commitment (contract) for an affordable housing project. When the Board approves a contract for HOME funds, the project will be added to the Action Plan through an Action Plan amendment and brought to the Board for approval.

**Performance Measure:**

CSD staff will monitor the performance of funding recipients. Public service program subrecipients are required to report to CSD on the number of persons served in relation to the estimated benefit to low-income persons on a quarterly basis. Subrecipients must provide documentation that supports eligible expenditures consistent with the contract budget and federal regulations. Federal funds are provided on a reimbursement basis.

CSD staff will monitor construction projects to assure adequate progress toward meeting the project timeline. Federal funds will be provided on a reimbursement basis and only after subrecipients have provided documentation that supports that the expenditures were eligible per the contract budget and with federal regulations. Facilities improved with CDBG or HOME funds will be monitored, and must be used for an eligible use, for the period determined in the subrecipient contract.

**Fiscal and Facilities Impacts:**

Federal HOME and CDBG funds are awarded to the County as grants. Ten-percent (10%) of the HOME grant and twenty-percent (20%) of the CDBG grant may be used to cover the costs to administer the federal programs. The remaining funds are awarded by the County and its partner cities to eligible programs and projects as loans or grants, which may also include funds for Activity Delivery Costs. The County monitors loans and grants for compliance with repayment requirements and monitors subrecipients for compliance with federal regulations. The County could be subject to repaying federal funds, from non-federal source(s), if HUD finds that the County expended funds inconsistent with regulations or otherwise did not comply with federal requirements. The County passes these obligations on to its subrecipients by including relevant language in the agreements executed between the County and subrecipients.

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Current FY Cost:</b>	<b>Annualized On-going Cost:</b>	<b>Total One-Time Project Cost</b>
CDBG - FY 2015-16			1,584,252
HOME - FY 2015-16			701,873

The CDBG and HOME amounts reflect the total amount allocated to the County and its partner cities for FY 2015-16, which begins in July 2015. The County generally receives the funds in its HUD line of credit about September.

**Key Contract Risks:**

Board approved projects will have contracts executed between the County and the subrecipient. HUD holds the County accountable for assuring that federal funds expended are for eligible costs and could require repayment by the County, with non-federal funds, for ineligible expenses. Real property improved, in whole or in part with CDBG funds, must continue to meet a CDBG National Objective for a period of at least five years. Failure to meet the five-year period may result in County repayment of the full amount of CDBG funds invested, plus a percentage of the market value attributable to the investment of CDBG funds. HOME program rules also impose a long-term affordability period for multi-family and other types of housing projects and failure to meet the long-term affordability requirements may result in HUD requiring repayment by the County of the full amount of HOME funds invested. CSD monitors the financial condition and the use of real property for the duration of the required periods.

**Staffing Impacts:**

The federal programs are administered by existing CSD staff with the support of county counsel. Activity Delivery Costs will help support staff costs for contract administration and construction monitoring.

**Special Instructions:**

Please have the Board Chair execute Exhibit A - Resolution and provide a copy to Laurie Baker (call for pick up). Please provide a copy of the Minute Order to Laurie Baker at [lbaker@co.santa-barbara.ca.us](mailto:lbaker@co.santa-barbara.ca.us). CSD staff published a notice in newspapers of general circulation for a HUD-required public comment period. A copy of the notice and proof of publication was provided to COB with the Set-Hearing Board letter for the April 14, 2015 agenda.

**Attachments:**

- A: Resolution
- B: Copy of April 21, 2015 Board Letter
- C: Final FY 2015-2020 Consolidated Plan with first year FY 2015-16 Action Plan
- D: CEQA Notice of Exemption

**Authored by:** Laurie Baker, Grants and Program Manager, Division of Housing and Community Development

**cc:** Renée E. Bahl, Interim Community Services Director  
Dinah Lockhart, Deputy Director, Division of Housing and Community Development