



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
Department No.: 057
For Agenda Of: 2/27/18
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: George Chapjian, Community Services Director (805) 568-2485
CONTACT Dinah Lockhart, Deputy Director, HCD (805) 568-3523
INFO: Laurie Baker, Grants & Program Manager, (805) 568-3521
SUBJECT: **Amendment No. 2 to Subrecipient Agreement with City of Santa Maria
for Tenant-Based Rental Assistance (TBRA) D4 D5**

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve and Authorize the Chair of the Board of Supervisors to execute the Second (2nd) Amendment to the Tenant-Based Rental Assistance Sub-recipient Agreement with the City of Santa Maria, decreasing the original grant amount of \$252,651 by \$150,000 to \$102,651 and extending the term of the contract to December 31st, 2018 (Attachment A); and
- B. Determine that the approval of the 2nd Amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the action 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 impact on the environment, and direct staff to file a Notice of Exemption (Attachment B).

Summary Text:

The City of Santa Maria is under contract with the County to provide Tenant-Based Rental Assistance (TBRA) using County HOME funds. The amendment, which was requested by Santa Maria because they cannot use all of their TBRA money, will modify the agreement to reduce the grant amount from \$252,651 to \$102,651 and to extend the term of the agreement to December 31, 2018.

Background:

The County of Santa Barbara serves as a lead agency for the local HOME Consortium that receives HOME Investment Partnerships funds (HOME) from the U.S. Department of Housing and Urban Development (HUD). The purpose of HOME funding is to expand the supply of affordable housing to low income households. The City of Santa Maria (City) was a member of the County HOME Consortium from 1994 to 2016. The City had elected to use its sub-allocation of FY 2014-15 HOME funds for a Tenant Based Rental Assistance (TBRA) program that provides rent and security deposit payments on behalf of eligible low-income households. The current TBRA contract ends on June 22nd, 2018.

The City of Santa Maria determined that it would not expend the full amount of HOME funds due to low vacancy rates in Santa Maria. The City has calculated the amount of HOME funds it reasonably can expect to expend for TBRA through the end of the calendar year and requested to amend its TBRA agreement with the County to: 1) Reduce the total contract amount to \$102,651 and, 2) Extend the term of the agreement to December 31, 2018.

The City of Santa Maria passed Resolution No. 2017-148 (Attachment B) to earmark the \$150,000 in HOME being returned to the County for the Sierra Madre Cottages senior housing project (Project) to be developed in the City of Santa Maria by Peoples' Self-Help Housing Corp. On 2/27/18, the Board will also consider approval of the funds, and other County funds, to the Project in a separate Board Letter with recommended funding reservations to the Project.

Fiscal and Facilities Impacts:

None

Fiscal Analysis:

No new funds will be expended by the Sub-recipient. The Sub-recipient requested a reduction in the contract amount to an amount that can be reasonably expended by the end of the calendar year to avoid noncompliance with expenditure deadlines imposed by the federal HOME program. The City is recommending that the \$150,000 being returned to the County be contributed toward the development costs of the Sierra Madre Cottages project, which the Board will consider in a separate Board Agenda item on 2/27/18.

Beginning July 1, 2018,, the City of Santa Maria will rejoin the County HOME Consortium and will receive a portion of the County's HOME funds allocated by HUD. The City may elect to use all or a portion of its sub-allocation of FY 2018-2019 HOME funds to extend its TBRA program beyond the end of the calendar year. HUD generally deposits HOME funds in the County's Line of Credit in the summer or fall; therefore, FY 2018-2019 HOME funds will likely be received by the County on or before September 30, 2018.

Special Instructions:

- Please have the Board Chair execute three (3) original copies of Attachment A and provide two (2) copies with original signatures to Jett Black-Maertz. Please call Jett for pick up at ext. 3549.
- Provide a copy of the minute order reflecting Board Action to jblack@co.santa-barbara.ca.us

Attachments:

- A) Amendment No. 2 to the Subrecipient Agreement
- B) Santa Maria Resolution No. 2017-148
- C) CEQA Notice of Exemption