



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.: 055
For Agenda Of: September 18, 2018
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) George Chapjian, Director (805) 568-2485
Contact Info: Dinah Lockhart, Deputy Director HCD (805) 568-3523
Laurie Baker, Grants and Program Mgr. (805) 568-3521

SUBJECT: Amendment to 2016-2018 CDBG Urban County Agreement

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 (Board):

- A. Approve and authorize the Chair of the Board to execute First Amendments (Attachments A-C) to the three Cooperation Agreements between the County of Santa Barbara and the cities of Carpinteria, Buellton and Solvang (Partner Cities) for Participation in the Santa Barbara Urban County Community Development Block Grant (CDBG) Program for Three Fiscal Years (2016-2018) (“Cooperation Agreements”); and
- B. Determine that the recommended action 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 action is a creation of government funding mechanism or other government fiscal activity, which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

In 2015, the County executed a separate 2016-2018 Cooperation Agreement (Sample provided as Attachment D) with each city of Carpinteria, Buellton and Solvang (together the “Partner Cities”). The Cooperation Agreements were required by U.S. Department of Housing and Urban Development (HUD) to establish or continue the County’s CDBG Urban County status with HUD and receive an annual

allocation of CDBG funds. The Cooperation Agreements were executed in 2015 to continue the partnership with the Partner Cities for federal fiscal years (FFY) 2016 – 2018.

On August 16, 2018, HUD informed the County of an error in the ending Program Year identified in the Cooperation Agreements that were executed in 2015. The 2016-2018 Cooperation Agreement shows a Program Year ending date of September 30, 2019, which should read ‘September 30, 2018’. HUD is requiring that the County amend the Cooperation Agreements with the Partner Cities to include the revised year. In addition, the Amendments add a provision that provides authority to the County Chief Executive Officer to execute amendments to the Cooperation Agreements on behalf of the County to make administrative revisions, or otherwise to comply with HUD requirements, provided that such amendments do not make substantive changes to the intent of the Cooperation Agreements.

Amendments to the Cooperation Agreements (Attachments A – C) have been executed by the Partner Cities. The Board is being asked to execute the Amendments so that they may be submitted to HUD by the statutory deadline of September 30, 2018.

Discussion:

In 2015, the County executed Cooperation Agreements with the cities of Carpinteria, Buellton and Solvang (together the “Partner Cities”). The Cooperation Agreements were required by U.S. Department of Housing and Urban Development (HUD) to establish or continue the County’s CDBG Urban County status with HUD and receive an annual allocation of CDBG funds. The Cooperation Agreements were executed in 2015 to continue the partnership with the Partner Cities for federal fiscal years (FFY) 2016 – 2018. HUD requires that the County inform the Partner Cities of the opportunity to withdraw from the UC Partnership prior to start of each qualification period. Letters were sent to each Partner City in May 2018 and no City chose to withdraw from the UC Partnership for the FFY 2019 – 2021 qualification period. As required by HUD, in July 2018, copies of the letters sent to the cities and copies of the Cooperation Agreements, along with other required documentation, was submitted to HUD.

On August 16, 2018, HUD informed the County the 2016-2018 Cooperation Agreement executed in 2015 showed a Program Year end date of September 30, 2019, which should read ‘September 30, 2018’. HUD is requiring that the County amend the Cooperation Agreements with the Partner Cities to include the revised year. The Amendments (Attachments A, B, C) correct the term as commencing on October 1, 2015 and terminating on September 30, 2018. In addition, the Amendments add a provision that provides authority to the County Chief Executive Officer to execute amendments to the Cooperation Agreements to make administrative revisions, or otherwise to comply with HUD requirements, on behalf of the County provided that such amendments do not make substantive changes to the intent of the Cooperation Agreements.

Amendments to the Cooperation Agreements (Attachments A – C) have been executed by the Partner Cities. The Board is being asked to execute the Amendments so that they may be submitted to HUD by the statutory deadline of September 30, 2018.

Performance Measure:

The County is the lead entity of the CDBG Urban County Partnership and is responsible for the administration of CDBG funds. The County could be required to repay CDBG funds to HUD, with non-

federal funds, if regulatory requirements are not followed. The division of Housing and Community Development (HCD), as the County's administrator of CDBG funds, uses CDBG funds only for eligible expenses and provides funds to County subgrantees on a reimbursement basis. HCD also regularly monitors County subgrantees for federal regulatory compliance.

Contract Renewals and Performance Outcomes:

The Cooperative Agreements automatically renew for subsequent three-year federal qualification periods unless a Partner City notifies the County of its option to withdraw. No City may withdraw from the UC Partnership during the three-year qualification period; however, a qualifying City may join during the three-year qualification period.

Fiscal and Facilities Impacts:

No fiscal or facility impact

Fiscal Analysis:

No Fiscal impact

Key Contract Risks:

If the First Amendments are not fully executed and submitted to HUD by the statutory deadline of September 30, 2018, there is a risk that HUD will not recognize the County as a CDBG Urban County and not include the County in the CDBG allocation formula.

Staffing Impacts:

Existing CSD/HCD staff administer the CDBG program.

Special Instructions:

1. Please return one original of each Agreement (Attachments A – C) to Laurie Baker. Please contact Laurie for pick up at ext. 3521 or lbaker@co.santa-barbara.ca.us;
2. Retain one original of each Agreement for COB files;
3. Please email a copy of the minute order to lbaker@co.santa-barbara.ca.us.

Attachments:

- A. First Amendment to CDBG UC Agreement with the City of Carpinteria
- B. First Amendment to CDBG UC Agreement with the City of Buellton
- C. First Amendment to CDBG UC Agreement with the City of Solvang
- D. 2016-2018 Cooperation Agreement with the City of Buellton (as a sample of the agreements executed with each Partner City)