



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 10, 2022
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department George Chapjian, Community Services Director (805) 568-2467
Director(s)
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523
Laurie Baker, Grants and Programs Manager (805) 568-3521
SUBJECT: Execution of State of California Permanent Local Housing Allocation (PLHA)
Sub-Recipient Agreement with Habitat for Humanity of Southern Santa
Barbara County

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 a subrecipient agreement (Agreement) for the distribution of \$100,000 in State of California Permanent Local Housing Allocation (PLHA) grant funds with Habitat for Humanity of Southern Santa Barbara County for delivery of a Home Repair Program for a term that begins on the date of the Agreement's execution and ends 6/30/2023 (Attachment A); and
- b) Authorize the County's Community Services Department Director or designee to approve and execute amendments to the Agreement's budget line items provided that the overall maximum dollar amount of the Agreement is not increased, to extend the Agreement's term by up to 12 months, and approve necessary administrative changes to the Agreement that are necessary to conform with Federal, state, and local laws, guidelines, policies, and funding amounts; and
- c) Determine that the approval of the above recommended actions is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(4) since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

Staff is requesting that the Board of Supervisors approve and authorize the Chair to execute a State of California Permanent Local Housing Allocation (PLHA) subrecipient agreement with Habitat for Humanity of Southern Santa Barbara County (Subrecipient). The Board is being asked to approve an agreement for \$100,000 with Subrecipient for delivery of a Home Repair Program for a term that begins on the date of the Agreement's execution and ends 6/30/2023 (Attachment A).

Subrecipient will operate a Home Repair Program in southern Santa Barbara County that will provide critical home repairs to low-income homeowners. Repairs include, but are not limited to, wheelchair accommodations, bathroom adaptations, kitchen repairs, roof replacement, stairway replacement, furnace replacement, and weatherization of windows and doors, with an anticipated budget of \$10,000 to \$20,000 per home.

Background:

Chapter 364, Statutes of 2017 (SB 2, Atkins) adding Health and Safety Code Sections 50470 et seq., was part of a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. SB2 created the Building Homes and Jobs Trust Fund and the PLHA Program. Specifically, it establishes a permanent source of funding intended to increase the affordable housing stock in California. The revenue from SB 2 will vary from year to year, as revenue is dependent on certain real estate recordation transactions with fluctuating activity. The legislation directs the California Department of Housing and Community Development (Department) to use seventy (70) percent of the revenue collected, beginning in calendar year 2019, to provide financial assistance to local governments for eligible housing-related projects and programs to assist in addressing the unmet housing needs of their local communities.

On July 7, 2020, the County of Santa Barbara's Board of Supervisors passed and adopted Resolution No. 20-127 allowing the Director of the Community Services Department to apply for, receive, and administer the PLHA funds for the Santa Barbara County PLHA Consortium, which includes the County of Santa Barbara, and the Cities of Goleta and Santa Maria.

The County and the Cities of Goleta and Santa Maria (Consortium) executed a Consortium agreement that authorizes the County to act as the Administering Jurisdiction for the Consortium to apply for and administer PLHA funds on the Consortium's behalf. Over the next five years, the County and Cities will receive an estimated \$8,383,638. The calculations are based on the Community Development Block Grant (CDBG) allocation formula for 2017. The PLHA Guidelines authorize PLHA funds to be expended on certain Eligible Activities. County staff convened a PLHA working group in 2019 consisting of County and City staff representatives. Additionally, four (4) community outreach meetings, in conjunction with the HUD Consolidated Plan development process, were held in Lompoc, Goleta, Santa Maria, and Santa Barbara to gather community input.

The State allows up to five percent (5%) of the Consortium's PLHA allocation to be used toward the costs to administer (Admin) the PLHA program. The County will retain the Admin funds to cover expenses incurred by the County to administer the PLHA program on behalf of the Consortium.

After deducting the 5% Admin funds from the Consortium's PLHA allocation, the Consortium elected to allocate the remaining PLHA funds toward the following four Eligible Activities to meet the objectives set forth by the PLHA program:

1. Activity 301(a)1: Forty five percent (45%) of the PLHA funds will be allocated toward the predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low, very low, low-, and moderate-income households, including necessary operating subsidies.
2. Activity 301(a)2: Ten percent (10%) of the PLHA funds will support the predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120-percent of AMI, or 150-percent of AMI in high-cost areas.
3. Activity 301(a)6: Thirty percent (30%) of the PLHA funds will be used for assisting persons who are experiencing or are at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
4. Activity 301(a)9: Fifteen percent (15%) of the PLHA funds will be used to provide homeownership opportunities, including, but not limited to, down payment assistance.

Since 2020, the Consortium has funded the following projects: \$270,000 for supportive services over a five year period at Homekey Studios in Lompoc, a 14 unit permanent supportive housing development for formerly homeless persons; \$375,000 for supportive services over a five year period at West Cox Cottages in Santa Maria, a 30 unit permanent supportive housing development for formerly homeless persons with chronic mental health issues; and, \$444,960 for a homebuyer down payment assistance program with the Housing Trust Fund of Santa Barbara County.

Home Repair Program

The Home Repair Program falls under State Eligible Activity # 301(a) (2). The Program will be administered by Habitat for Humanity of Southern Santa Barbara County and will provide critical home repairs to low-income homeowners. The program permits low-income individuals, families, and seniors to remain safely in their homes by correcting or preventing conditions that could create an unsafe, unsanitary, or inaccessible living environment. The type and extent of repair provided depends on the condition of the home and the needs of the households. Examples of critical home repairs include but are not limited to the following:

- Doorway widening to accommodate wheelchairs
- Bathroom adaptations
- Kitchen repairs
- Roof replacement
- Replacing deteriorated stairs into house
- Adding handrails
- Adding accessible showers
- Replacing furnaces
- Weatherization repairs on windows and doors

The average critical repair costs between \$10,000 and \$20,000 per home, as the cost of permits, professional labor, and materials varies depending on the needs and scope of the project. Subrecipient leverages community support for donations of in-kind materials and professional labor to reduce project costs and allow a greater number of projects to be completed.

This program is also funded with a total of \$70,274 in CDBG funds. Of this amount, \$30,274 is provided under 2020-21 CDBG funds, and \$40,000 under 2021-22 CDBG. This PLHA grant will enable Subrecipient to continue this program through 2023.

The program’s service area is southern Santa Barbara County, defined as the area within Santa Barbara County south of the Santa Ynez Mountains, excluding the City of Santa Barbara. The City of Santa Barbara also receives PLHA funds from the State.

The program will serve households with an income at or below 80% of Area Median Income (AMI). The typical client of Subrecipient’s Home Repair Program is 65 years old with an income of under \$20,000 (less than 30% AMI).

Performance Measure:

The Home Repair Program will provide repairs to an estimated 6-10 households. Exhibit A of the subrecipient agreement includes a detailed scope of work. Subrecipient will report to HCD quarterly on its progress to ensure it is meeting its stated goals.

Funds will be provided to Subrecipient on a reimbursement basis and HCD staff will ensure that project expenses are allowable per PLHA regulations and County policies.

Contract Renewals and Performance Outcomes:

N/A

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			\$ 100,000.00
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ 100,000.00

Key Contract Risks:

The County assumes responsibility for the administration of PLHA funds in accordance with all state requirements governing their use. In addition, it would be held liable if it or any provider to which it sub-grants funds is found to be non-compliant with applicable requirements. Habitat for Humanity of Southern Santa Barbara County has successfully administered its Home Repair Program for many years.

The PLHA subrecipient agreement is a cost-reimbursement contract. This allows CSD/HCD to disburse funds to Subrecipient for eligible incurred costs to the extent prescribed by the Agreement. The County will only reimburse costs that are eligible under the Agreement and documented in a manner that is acceptable to CSD/HCD. CSD/HCD staff will assess the performance of the subrecipient to determine if the services provided are adequate and as outlined in the Agreement.

Staffing Impacts:

The PLHA program is administered by existing HCD staff.

Special Instructions:

1. Please have the Board Chair sign two copies of the subrecipient agreement (Attachment A). Return one signature page with original signatures (DocuSign signatures acceptable) of the agreement to Carlos Jimenez at HCD. Please call ext. 3529 for pick-up. A full copy of the agreement, with original signatures, may be retained by COB.
2. Please provide a copy of the Minute Order to cjimenez@countyofsb.org or place with agreements for pick up.

Attachments:

- A) Subrecipient Agreement for Habitat for Humanity of Southern Santa Barbara County

Authored by:

James Francis, Housing and Community Development Division (jfrancis@countyofsb.org)

cc: