



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:** August 16, 2022  
**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 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 First Amendment to State of California Permanent Local Housing Allocation (PLHA) Sub-recipient Agreement with the Housing Trust Fund of Santa Barbara County

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**County Counsel Concurrence**

As to form: YES

**Auditor-Controller Concurrence**

As to form: YES

**Risk 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 First Amendment to the Sub-recipient agreement with the Housing Trust Fund of Santa Barbara County, Inc. for the distribution of an additional \$207,396 in State of California Permanent Local Housing Allocation (PLHA) grant funds for expansion of the eligible geographic area of the Workforce Homebuyer Program County-wide for a new total contract maximum amount of \$652,356 (Attachment A); and
- b) Determine that the above recommended action 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:**

County HCD is recommending that the Board of Supervisors approve and execute a First Amendment to the State of California Permanent Local Housing Allocation (PLHA) Sub-recipient Agreement with the Housing Trust Fund of Santa Barbara County (First Amendment). The original Subrecipient Agreement was executed on March 8, 2022 between the County of Santa Barbara (County) and the Housing Trust Fund of Santa Barbara County, Inc. (Subrecipient). This First Amendment changes the Scope of Work of the original Subrecipient Agreement to expand the Eligible Geographic Area from strictly within the City of Santa Maria to include all areas of the County of Santa Barbara, except the Cities of Santa Barbara and Lompoc. The First Amendment also increases the PLHA distribution to the Subrecipient by \$207,396 to support the expansion of the program, and allows the Community Services Department Director, in his or her sole discretion, to adjust the dates to expend funds within designated portions of the Eligible Geographic Area if necessary to ensure the timely disbursement of PLHA funds by State deadlines and prior to the expiration of the Agreement.

While the County (which includes the Cities of Buellton, Carpinteria, and Solvang due to their membership within the County's Community Development Block Grant (CDBG) Urban County Partnership) and the Cities of Goleta and Santa Maria (Consortium) entered into 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, the Cities of Santa Barbara and Lompoc have elected not to be included within this Consortium and independently apply for their own PLHA allocation. The County, on behalf of the Consortium, submitted the Consortium's Five-Year Plan (PLHA Plan) to the State. The PLHA Plan includes eligible activities selected by the Consortium from the State's PLHA Final Guidelines (Guidelines) – activities that the Consortium will address with its PLHA allocations.

A Workforce Homebuyer Program in all areas of the County of Santa Barbara except the City of Santa Barbara and Lompoc will provide down payment loans and closing cost grants to up to 22 first-time low-income homebuyers. Specific client services include: homebuyer education training offered through community partners; provision of information on the loan program and application process; Technical Assistance in completing the loan application; provision of a 30-year deferred payment down payment loan in the amount of 20% of the home purchase price up to a maximum loan of \$100,000 for qualified applicants; and provision of a closing cost grant up to \$5,000 for borrowers.

Originally, the funds for this program were only being provided by the City of Santa Maria's allocation of PLHA; therefore, the program was limited to homes purchased within the city limits of Santa Maria. Additional funds have become available and additional Consortium members have agreed to contribute to the Workforce Homebuyer Downpayment Assistance program so that it may be available within the jurisdictions of each of our Consortium members.

### **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

## **Subrecipient Agreement with Housing Trust Fund of Santa Barbara County**

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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) each 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 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 County Board of Supervisors approved the original Subrecipient Agreement between the County and the Housing Trust Fund of Santa Barbara County, Inc. on March 8, 2022. On March 23, 2022, the County of Santa Barbara was awarded a PLHA Allocation through the second round of funding from State HCD.

### **Performance Measure:**

The Workforce Homebuyer Program will provide down payment loans and closing cost grants to up to 22 first-time low-income homebuyers. Specific client services include: homebuyer education training offered through community partners; provision of information on the loan program and application process; Technical Assistance in completing the loan application; provision of a 30-year deferred down payment loan in the amount of 20% of the home purchase price up to a maximum loan of \$100,000 for qualified applicants; and provision of a closing cost grant up to \$5,000 for borrowers.

The Project shall be carried out in accordance with the State's program guidelines, and Scope of Work and Budget contained in the Agreement as amended. The Housing Trust Fund will provide quarterly reports to the County on services provided and the outcomes, or performance measures, including the number of households assisted, home prices, and amounts of loans which have been outlined in the scope of work. The Housing Trust Fund anticipates serving at least 20 households.

**Fiscal and Facilities Impacts:**

**Budgeted: Yes Fiscal Analysis:**

|              |    |    |    |            |
|--------------|----|----|----|------------|
| General Fund |    |    |    |            |
| State        |    | \$ |    | 652,356.00 |
| Federal      |    |    |    |            |
| Fees         |    |    |    |            |
| Other:       |    |    |    |            |
| Total        | \$ | -  | \$ | 652,356.00 |

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**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. The Housing Trust Fund of Santa Barbara County has successfully administered its Workforce Homebuyer Program for many years.

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

**Special Instructions:**

- 1) Please have the Board chair sign two copies of the First Amendment and provide one executed original First Amendment to Andrew Kish. Please call for pick up 8-3534. Retain one original in COB files.
- 2) Please email an electronic copy of the Minute Order to Andrew Kish at [akish@countyofsb.org](mailto:akish@countyofsb.org)

**Attachments:**

- A) First Amendment to Subrecipient Agreement between County of Santa Barbara as Administrative Entity for the Santa Barbara County Permanent Local Housing Allocation Consortium and Housing Trust Fund of Santa Barbara County

**Authored by:**

Andrew Kish, Housing and Community Development Division ([akish@countyofsb.org](mailto:akish@countyofsb.org))