



# County of Santa Barbara

Community Services Department  
Division of Housing & Community  
Development



## HOME Investment Partnerships FY 2014-15 Funding Recommendations

June 17, 2014



# Recommended Actions

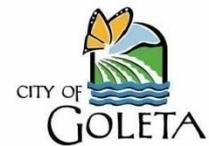
- Approve a preliminary reservation of HOME funds, effective until December 31, 2014, in an amount not to exceed \$180,000 to the Solvang Senior Apartments project
- Approve a preliminary reservation of HOME funds, effective until September 30, 2015, in an amount not to exceed \$448,852 to the Los Adobes de Maria III project
- Approve a preliminary reservation of HOME funds, effective until September 30, 2015, in an amount not to exceed to \$139,335 (approximately \$70,000 per housing development project) in HOME funds to cover project oversight costs;
- Determine that the approval of the HOME reservations is not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) and direct staff to file a Notice of Exemption.

# HOME Program

- County receives annual allocation of HOME funds from U.S. Dept. of Housing and Urban Development (HUD) for the County HOME Consortium
- HOME Consortium member cities each receive a sub-allocation of HOME funds to award to projects or programs in their own communities

County	Lompoc
Buellton	Santa Maria
Carpinteria	Solvang
Goleta	

- The County is lead entity for HOME Consortium and accountable to HUD for the uses of HOME funds



# 2014-15 HUD HOME Allocation

Allocation	\$937,493
Less 10% Admin	-93,749
Less 5% Implementation Costs	<u>-42,187</u>
	\$801,557

	<u>% of Allocation</u>	<u>2014 Allocation</u>
County	39.44%	\$316,134
<b>City of Santa Maria</b>	<b>31.52%</b>	<b>252,651</b>
<b>City of Lompoc</b>	<b>13.35%</b>	<b>107,008</b>
City of Goleta	8.79%	70,457
City of Carpinteria	3.97%	31,822
City of Buellton	1.42%	11,382
City of Solvang	1.51%	<u>12,104</u>
		\$801,557



# Deadline to Commit Funds

- The County faced a July 31, 2013 deadline to commit approximately \$2.1 million in HOME funds or risk losing funds
- HCD/Capital Loan Committee recommended those funds be awarded to projects that could expend funds timely
  - Pescadero Lofts
  - Casa de las Flores
  - Tenant-Based Rental Assistance

***As a result, some prior HOME reservations were re-allocated***

# Funds Available

HOME allocation	Program Income	Uses	Proposed Uses
40,932			FY 2013-14 uncommitted HOME funds
	295,357		
		10,000	Santa Maria Tenant-Based Rental Assistance FY 2013-14
801,557			FY 2014-15 HOME allocation
		252,651	Santa Maria TBRA (to be expended over 2 years)
		107,008	Lompoc Homebuyer Assistance Program
		180,000	Solvang Senior Apartments
		448,852	Los Adobes de Maria III
			HCD project oversight costs
		139,335	~\$70,000/development project funded
<b>TOTALS</b>	<b>\$1,137,846</b>	<b>\$1,137,846</b>	



# 2014-15 Project Applications

- HCD received two HOME applications:
  1. Solvang Senior Apartments (D3-Solvang)
    - ❑ Owner/Developer: Corporation for Better Housing
    - ❑ 45 unit multi-family rental housing for low income seniors
    - ❑ \$180,000 Recommended HOME Reservation
    - ❑ Received a recommendation for a tax credit allocation by the Tax Credit Allocation Committee
  2. Los Adobes de Maria III (D5-Santa Maria)
    - ❑ Owner/Developer: Peoples' Self Help Housing Corp
    - ❑ 34 unit multi-family rental housing for low income farm workers and their families
    - ❑ The City of Santa Maria provided prior HOME reservations, totaling \$448,852 in 2011 and 2012. To avoid recapture by HUD, those funds were re-allocated to other projects.
    - ❑ \$448,852 Recommended HOME reservation



# Project Review and Process

## A. Preliminary Review for Reservation of Funds

- HOME Eligibility
- Consolidated Plan/Action Plan priorities
- Project financial feasibility
- Prior performance/capacity/experience
- Capital Loan Committee – June 9, 2014
- Board of Supervisors – June 17, 2014 Public Hearing

## B. Final Review and Contracting

- Complete project and underwriting
- Return to Board of Supervisors with Set Hearing
- Prepare and publish Action Plan Amendments for 30 day public notice period
- Return to Board of Supervisors Public Hearing for final funding approvals and contracting
- Submit Amendments to HUD



# HCD Project Oversight Costs

\$139,335 of HOME funds will be used to cover the costs for project oversight costs incurred by the County

- HCD staff costs directly related to the approved projects
- General Services staff costs for construction monitoring, review of payment requests and review Davis-Bacon certified payrolls
- Approximately \$70,000 per project. If a project does not receive a final commitment of HOME funds, then the project oversight costs will be made available to other projects

# Effective Period for Reservations

HCD staff recommends the following time periods for which the Reservations will remain valid.

- Solvang project: The Reservation will expire on December 31, 2014. This will give the applicant time to finalize all funding commitments and execute legal documents, and break ground by the end of the year;
- Los Adobes de Maria III: the Reservation will expire on September 30, 2015. This will give the applicant time to apply to the CTCAC at the July 2014, March 2015 or July 2015 funding rounds

Reservations are contingent upon receipt of HOME funds by the County from HUD and may be cancelled at any time, at the discretion of the Board.

# Summary of Actions

June 17, 2014 Board Hearing Actions	Board Hearing Actions for Final Funding
Approve preliminary HOME project reservations with FY 2013-14, FY 2014-15 HOME funds and HOME program income	Approve HOME Loan Agreement(s) and associated documents for the approved projects
Approve reservations for HCD project costs	Approve FY 2013-14 and FY 2014-15 Action Plan Amendments
Approve the length of time that a HOME reservation is valid	Approve Action Plan Amendments for Submission to HUD
Approve CEQA Exemption	Approve CEQA Exemption



# Recommended Actions

- ❑ Approve a preliminary reservation of HOME funds, effective until December 31, 2014, in an amount not to exceed \$180,000 to the Solvang Senior Apartments project and authorize the Interim Director of Community Services to sign a letter to the project applicant indicating the approved reservation;
- ❑ Approve a preliminary reservation of HOME funds, effective until September 30, 2015, in an amount not to exceed \$448,852 to the Los Adobes de Maria III project and authorize the Interim Director of Community Services to sign a letter to the project applicant indicating the approved reservation;
- ❑ Approve a preliminary reservation of HOME funds, effective until September 30, 2015, in an amount not to exceed to \$139,335 (approximately \$70,000 per housing development project) in HOME funds to cover project oversight costs incurred by the Housing and Community Development Division;
- ❑ Determine that the approval of the HOME reservations 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 actions are not a project as they are the 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.