



## 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

|                           |                    |
|---------------------------|--------------------|
| <b>Department Name:</b>   | Community Services |
| <b>Department No.:</b>    | 057                |
| <b>For Agenda Of:</b>     | May 5, 2020        |
| <b>Placement</b>          | Departmental       |
| <b>Estimated Time:</b>    | 30 minutes         |
| <b>Continued Item:</b>    | No                 |
| <b>If Yes, date from:</b> |                    |
| <b>Vote Required:</b>     | Majority           |

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**TO:** Board of Supervisors

**FROM:** Department George Chapjian, Community Services Director (805) 568-2467  
Director  
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523  
Laurie Baker, Grants Program Manager (805) 568-3521

**SUBJECT:** **Approval of FY 2019-20 Action Plan Substantial Amendment, and Authorization of Execution of Loan Documents and Agreements for Projects Included in the 2019-20 Action Plan Substantial Amendment.**

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### County Counsel Concurrence

As to form: Yes

### Risk Management

As to form: Yes

### Auditor-Controller Concurrence

As to form: Yes

### Recommended Actions:

That the Board of Supervisors (Board):

### Summary Text:

The County is required to submit an Annual Action Plan to HUD reflecting allocation, award and management of CDBG entitlement funding. The Action Plan is part of the County's formal CDBG grant application to HUD every year. The County is required to submit Action Plan Substantial Amendments to HUD when federal funds are used for a project or program not previously included in an Action Plan or Action Plan Substantial Amendment.

The purpose of this Substantial Amendment is to award \$621,616 of CDBG funds to eligible capital projects. These funds are available from uncommitted prior-year CDBG funds resulting from, without limitation, loan receipts and payments from past years' projects *i.e.* Program Income, and projects that were completed under budget with funding not fully expended. Approval of the Substantial Amendment and related CDBG agreements recommended in this board letter will not impact existing project funding commitments.

These uncommitted prior year funds were included in HCD's annual Notice of Funding Availability (NOFA) to be awarded along with the 2020 federal CDBG and HOME allocations.

### **Background:**

The County of Santa Barbara is the lead agency of the CDBG Urban County, which includes the County and the Cities of Buellton, Carpinteria, and Solvang. Each year, the Urban County receives an allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD).

For FY 2020-21 there is a balance of \$621,616 in prior years CDBG funds that were added to 2020-21 NOFA. These carryover CDBG funds are the result of receipts of loan repayments from prior year's projects, from past projects that have been completed under budget, or other means. Staff recommends allocation of these prior year funds to the five projects in the Substantial Amendment. HCD staff received and evaluated nine applications, and convened the County's Capital Loan Committee on February 13, 2020 to make funding recommendations. Upon completion of its review process, the Committee recommended full funding for the projects. Five of the recommended projects will use prior year funds and are included in the Action Plan Substantial Amendment. (The other four recommended projects will use FY 2020 CDBG funds and are included in the FY 2020 Action Plan being considered by the Board today as a separate Departmental Agenda item. One project, Women's Economic Ventures will use a combination of prior year and FY 2020 funds.)

| Organization  | Project                                    | Funding Rec | Prior Year CDBG Funds | FY 2020 CDBG Funds |
|---|--|-------------|-----------------------|--------------------|
| Cuyama Valley Recreation District                   | Concessions and Restroom Facilities        | 58,485      | 58,485                |                    |
| Good Samaritan Shelter                              | Lompoc Safe Haven                          | 450,000     | 450,000               |                    |
| Good Samaritan Shelter                              | SM Emergency Shelter Flooring Replacement  | 57,750      | 57,750                |                    |
| PATH-Santa Barbara                                  | PATH Santa Barbara Phase 2 Renovation      | 263,932     |                       | 263,932            |
| SB County CSD -- Parks Division                     | Cachuma Lake Marina Restroom ADA Access    | 281,223     |                       | 281,223            |
| Santa Barbara Neighborhood Clinics                  | Eastside Neighborhood Clinic Parking Lot   | 65,000      |                       | 65,000             |
| Habitat for Humanity_ Southern Santa Barbara County | Home Repairs for Low-income homeowners     | 30,274      | 30,274                |                    |
| Women's Economic Ventures                           | Micro-Enterprise Assistance                | 75,000      | 25,107                | 49,893             |
| Good Samaritan Shelter                              | Micro-Enterprise Culinary Training program | 124,000     |                       | 124,000            |
|   |  |             | <b>\$621,616</b>      | <b>\$784,048</b>   |

In addition to approval of the Substantial Amendment, HCD recommends Board approval and execution of the following CDBG agreements for four projects to be wholly funded by prior-year funds under the Substantial Amendment:

1. A CDBG Loan Agreement (Attachment B), CDBG Promissory Note (Attachment C), CDBG Deed of Trust (Attachment D), and CDBG Regulatory Agreement (Attachment E), for Good Samaritan Shelter's *Safe Haven Transitional Housing Project* - \$450,000;
2. CDBG agreement for Good Samaritan Shelter's *Santa Maria Emergency Shelter Flooring Replacement Project* (Attachment F) - \$57,750; and
3. CDBG agreement amendment for Cuyama Valley Recreation District's *Park Improvement Project* (Attachment G) - \$58,485.
4. A CDBG agreement for Habitat for Humanity's *Low-Income Homeowner Home Repair Program*. This agreement is in the amount of \$30,274.

The fifth project under the CDBG Substantial Amendment is Women Economic Venture (WEV)'s Microenterprise project. This project will be partially funded with \$25,107 in prior year funds, and partially funded with \$49,893 in FY 2020-21 funds as discussed in a separate board letter on today's departmental agenda. This agreement will be executed by the CSD Director and county purchasing agent.

#### CDBG Project Descriptions

*Safe Haven Transitional Housing* (Supervisor District 3): Good Samaritan Shelter (Good Sam) proposes to acquire an existing three-bedroom single-family residence at a confidential location for \$365,000. The terms of the County CDBG Loan are Zero Percent (0%) interest, deferred, and forgivable after 15-years. The remaining \$85,000 will be allocated to property improvements. The project will address domestic violence and/or human trafficking by providing transitional housing with supportive services.

*Habitat for Humanity* (South County): Habitat for Humanity is requesting \$30,274 in CDBG funds to implement and administer a Home Repair Program for Low-Income Homeowners. Habitat Santa Barbara will provide repairs to a minimum of five (5) homes for low/mod income homeowners in need of assistance in maintaining a safe and affordable place to live. Housing repair assistance will depend upon the needs of each individual home and owner, but can include: aging-in-place modifications, accessibility improvements, weatherization repairs, and kitchen and bathroom repair, as needed. Funds are provided as grants to the homeowners.

*Santa Maria Emergency Shelter* (Supervisor District 5): Good Samaritan Shelter is requesting \$57,750 in CDBG funds to replace existing flooring at its Santa Maria Emergency Shelter located at 401 West Morrison Avenue in the City of Santa Maria. The new flooring will provide greater durability and be more resistant to wear-and-tear resulting from ongoing and continued intensity of use at this north county emergency shelter.

*Cuyama Valley Recreation District* (Supervisor District 1): CVRD completed phase 1 of this previously approved project and installed a skate ramp at the local park. Phase 2 includes the purchase and installation of pre-fabricated concession stand and restroom facilities to service the local ball field and adjacent park during events. At the March 24, 2020 public hearing, the Board approved an extension to the term of the agreement, as it was set to expire on March 30, 2020. At that time, HCD indicated that it would be returning to the Board on May 5, 2020 to request additional funding necessary to complete the full project scope of work.

WEV provides Self-Employment Training and technical assistance to primarily low-income women who own or have an interest in starting micro-enterprise businesses. WEV is one of the few non-profits providing services related to economic development, specifically, micro enterprise and small business support and development. As an ongoing program, this funding will continue to provide a valuable resource for low-income members of the community seeking opportunities for increased self-sufficiency through small business ownership.

### Public Comment Period

The draft FY 2019-20 Substantial Amendment was available for review by the public during a 30-day public comment period, which commenced on April 3, 2020, and concludes at the end of today's public hearing on this item (Attachment I). As of the date this staff report was submitted to the Clerk of the Board for docketing, no public comments were received. The final Action Plan Substantial Amendment will incorporate comments received during the public comment period and direction of the Board. Staff will subsequently submit the final Substantial Amendment to HUD.

### Performance Measure:

All subrecipients must provide documentation that supports eligible expenditures consistent with the contract budget and federal regulations, and HCD allocates CDBG funds on a reimbursement basis.

HCD staff monitors the progress of all projects and their continued use for the eligible purpose for a period of five years, as required by the CDBG program.

### Fiscal and Facilities Impacts:

Federal CDBG funds are federal entitlement block grants awarded annually to Santa Barbara County pursuant to congressional budget appropriation. County HCD retains twenty percent (20%) of CDBG funds for respective program administration. Up to 15% percent of the funds are used to fund a variety of public services programs. County general funds are used for a portion of HCD administrative expenses; however, no County funds are being used to fund the approved projects.

### Fiscal Analysis:

|              |    |   |    |    |                      |
|--------------|----|---|----|----|----------------------|
| Federal      |    |   |    | \$ | 621,616.00           |
| Fees         |    |   |    |    |                      |
| Other:       |    |   |    |    |                      |
| <b>Total</b> | \$ | - | \$ | -  | <b>\$ 621,616.00</b> |

### Key Contract Risks:

Board approved projects will have contracts executed between the County and the subrecipients. For CDBG projects, the County could be subject to repaying federal funds, from non-federal source(s), if HUD finds that the County or its subrecipients expended funds inconsistent with regulations or otherwise did not comply with federal requirements. The County monitors loans and grants made to subrecipients for compliance with federal regulations and provides funds to subrecipients on a reimbursement basis after staff review of eligible costs. Real property improved, in whole or in part with CDBG funds, must continue to meet a CDBG National Objective for a period of at least five years. Failure to meet the five-year period may result in County reimbursement of the CDBG funds expended plus a percentage of the increase in market value attributable to the investment of CDBG funds. HCD monitors the financial condition and the use of real property for the duration of the required periods.

### Staffing Impacts:

No new staffing impacts. The projects recommended for funding in this board letter will be overseen by existing HCD staff.

**Special Instructions:**

1. Return one executed original of the Safe Haven Deed of Trust (Attachment D) to Carlos Jimenez. Call for pick up at ext. 83529.
2. Retain one executed original of the Safe Haven Deed of Trust (Attachment D) for COB records.
3. Return one executed original of the Safe Haven Regulatory Agreement (Attachment E) to Carlos Jimenez. Call for pick up at ext. 83529.
4. Retain one executed original of the Safe Haven Regulatory Agreement (Attachment E) for COB records.
5. Return copies of the following executed agreements and retain the originals for COB records:
  - a. Safe Haven Loan Agreement (Attachment B)
  - b. Safe Haven Promissory Note (Attachment C)
  - c. Good Samaritan Shelter Flooring Replacement Agreement (Attachment F)
  - d. Cuyama Valley 4<sup>th</sup> Amendment (Attachment G)
  - e. Habitat for Humanity Agreement (Attachment J)
6. Email a copy of the Minute Order (or include with items 1 and 3 above) to [cjimenez@co.santa-barbara.ca.us](mailto:cjimenez@co.santa-barbara.ca.us)

**Attachments:**

- A: Draft 2019-20 Action Plan Substantial Amendment
- B: Good Samaritan Shelter, Safe Haven, CDBG Loan Agreement
- C: Good Samaritan Shelter, Safe Haven, CDBG Promissory Note
- D: Good Samaritan Shelter, Safe Haven, CDBG Deed of Trust
- E: Good Samaritan Shelter, Safe Haven, CDBG Regulatory Agreement
- F: Good Samaritan Shelter, Santa Maria Emergency Shelter Flooring Replacement CDBG Agreement
- G: Cuyama Valley Recreation District, Park Improvements, 4<sup>th</sup> Amendment to CDBG Agreement
- H: Good Samaritan Shelter, Safe Haven, Notice of Exemption
- I: Substantial Amendment - Public Notice
- J: Habitat for Humanity- Agreement