



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: July 13, 2021
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
SUBJECT: Execution of State of California Permanent Local Housing Allocation (PLHA)
Sub-recipient Agreement

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, ratify and authorize the Chair of the Board of Supervisors to execute a sub-recipient agreement for the distribution of State of California Permanent Local Housing Allocation (PLHA) grant funds with the following providers in the specified amount: \$75,000 to Housing Authority of the County of Santa Barbara for delivery of supportive services at the Residences at Depot Street for a term that begins July 14, 2021 and ends June 30, 2022 (Attachment A); and
- b) Determine that the approval of the 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 potentially significant physical impact on the environment.

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Summary Text:

Staff is requesting that the Board of Supervisors approve, ratify and authorize the Chair to execute one (1) State of California Permanent Local Housing Allocation (PLHA) sub-recipient agreement with Housing Authority of the County of Santa Barbara. The Board is being asked to approve: \$75,000 to Housing Authority of the County of Santa Barbara for delivery of supportive services at the Residences at Depot Street for a term that begins July 14, 2021 and ends June 30, 2022 (Attachment A);

The agreement includes an initial term that expires June 30, 2022. However, as discussed further below, staff anticipates annually renewing the agreements in additional years. Staff will return to the Board for approval of extensions as necessary.

The County 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. This consortium determined thirty percent (30%) of the PLHA funds will be used for assisting persons who are experiencing or 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.

Background:

Chapter 364, Statutes of 2017 (SB 2, Atkins) as authorized by Health and Safety Code Section 50470, 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) have each agreed to enter 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. 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 be expended on certain Eligible Activities. County staff convened a PLHA working group in 2019 consisting of 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. To meet the objectives set forth by the PLHA program, the County, and the Cities of Goleta and Santa Maria elected to allocate the PLHA funds toward the following Eligible Activities:

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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. Thirty percent (30%) of the PLHA funds will be used for assisting persons who are experiencing or 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.
3. Fifteen percent (15%) of the PLHA funds will be used to provide homeownership opportunities, including, but not limited to, down payment assistance.
4. 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.

On June 15, the Board approved, ratified and authorized the Chair to execute sub-recipient agreements for the distribution of State of California PLHA grant funds with the following providers in the specified amounts: \$75,000.00 to the Housing Authority of the County of Santa Barbara for delivery of supportive services at the West Cox Cottages for a term that begins May 1, 2021 and ends June 30, 2022; and \$54,000.00 to Housing Authority of the County of Santa Barbara for delivery of supportive services at the HomeKey Studios for a term that begins December 30, 2020 and ends June 30, 2022. HCD staff will return to the Board to approve and execute agreements as programs and projects falling under other eligible uses are ready to proceed and the County is in receipt of the PLHA funds.

Residences at Depot Street

The Residences at Depot Street is a rental housing complex located at 201 and 205 N. Depot Street in the City of Santa Maria, developed by the Housing Authority of the County of Santa Barbara (HASBARCO), as the general partner in The Residences at Depot Street, L.P. The project provides eighty (80) rental units divided between two separate buildings and contains 6 studios, 32 1-bedroom units, 36 2-bedroom units and 6 3-bedroom units. Two of the 2-bedroom units are managers' units without income or rent restrictions. All 78 units are restricted by the low-income housing tax credit regulatory agreement on the property.

In 2018, the County Board of Supervisors approved a 55-year loan of unencumbered Mental Health Service Act Plan (MHSA) Housing Program funds in the amount of \$2,410,379.91 to The Residences at Depot Street, L.P. (a California Domestic Limited Partnership) for the development of an eighty (80) unit affordable rental housing project at 201 & 205 North Depot Street in the City of Santa Maria with thirty-five (35) units dedicated for a term of thirty-five (35) years for qualified MHSA tenants (MHSA Loan). At that time, the Board also approved the execution of loan documents for a \$3,137,437 loan in federal HOME and Inclusionary Housing Ordinance (IHO) In-Lieu funds to the Residences at Depot Street, L.P. for the project in Santa Maria. Eleven (11) HOME-Assisted Unit(s) and seven (7) County-Assisted Unit(s) are subject to the income eligibility terms described in the HOME Regulatory Agreement. The number of HOME-Assisted Units and County-Assisted Units was calculated using the HOME Maximum Per-Unit Subsidy Limits.

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The need for an increase in on-site supportive services has been identified. Housing Authority will engage collaborative partners to provide and link residents to supportive services, in partnership with the County and other service and housing providers. This scope of services shall include, but is not limited to, the following:

1. Case management;
2. Basic housing retention skills;
3. Peer support activities;
4. Mental health care;
5. Substance use services;
6. Physical health care, including routine and preventive health and dental care, medication management, and wellness services; and
7. Benefits counseling and advocacy.

The funding available, approximately \$75,000 per 12-month period, renewed annually, is subject to funds available from the State of CA Permanent Local Housing Allocation. This conditional allocation of funding is described in the recitals to the subrecipient agreement with the County Housing Authority.

Performance Measure:

Housing Authority will engage collaborative partners to provide and link residents to case management; engage with individuals in the community and in County Housing Authority facilities; connect clients with necessary supports and services, provide transportation; conduct initial assessments and intake procedures; register residents with CES; and assist with connections to any other physical or behavioral services they may need. Residents will also have access to psychiatric and nursing care, in the office and in the field, medication management, and therapeutic services. The Project shall be carried out in accordance with attached Exhibit A, project Scope of Work (“Scope”), and Exhibit B, Project Budget. Housing Authority will provide quarterly reports to the County on services provided and the outcomes, or performance measures, which have been outlined in their scope of work. Tables 1 and 2 summarize the services to be provided; accomplishments shown are projected for a one-year period. Program design, funding allocations within budgeted line items, and the characteristics of individuals and households served will vary.

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Table 1: Goals – Individuals/Households Served at the Residences at Depot Street

GOALS: SUBRECIPIENT will provide the following levels of services during the term of the Agreement:

Services	Goal
Total unduplicated number of persons served	15
Total unduplicated number of households served	15
% of participants who retain permanent housing remaining housed for 1 year	85%

PERFORMANCE MEASURES: SUBRECIPIENT will provide the following performance measures during the term of the Agreement:

Services	Goal
% of adult participants participating in regular Case Management	87%
% of adult participants enrolled in Education Services	62%
% of adult participants receiving Employment assistance and job training	62%
% of adult participants engaged in Housing Counseling Services	87%
% of adult participants engaged in Life Skills Training	70%
% of adult participants participating in Mental Health Services	40%
% of adult participants receiving Outpatient Health Services	60%
% of adult participants receiving Substance Use Treatment Services	33%
% of adult participants accessing Transportation	66%
% of adult participants engaged in Direct Provision of Services	80%
% of adult participants gaining or increasing existing earned income at 1-year mark	47%
% of adult participants will obtain cash/non-cash benefits at 1-year mark	33%

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

General Fund				
State		\$		75,000.00
Federal				
Fees				
Other:				
Total	\$	-	\$	75,000.00

Narrative: As noted above, staff anticipates annually renewing the agreements for additional years. Future funding available is subject to funds available from the State of CA Permanent Local Housing Allocation.

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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. Housing Authority has successfully operated State and/or federally-funded homeless assistance projects in the past which have had similar regulatory and administrative requirements.

The PLHA sub-recipient agreement is a cost-reimbursement contract. This allows CSD/HCD to disburse funds to the aforementioned PLHA sub-recipient for eligible incurred costs to the extent prescribed by the Agreement. The County will only reimburse PLHA program sub-recipient for costs that are eligible under the Agreement 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.

Special Instructions:

- 1) Please email an electronic copy of the Minute Order to Dinah Lockhart at dlockhart@co.santa-barbara.ca.us.

Attachments:

- A) Sub-recipient Agreement for Housing Authority of the County of Santa Barbara – Residences at Depot Street

Authored by:

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