



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:** November 9, 2021  
**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  
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523  
Laurie Baker, Grants Program Manager (805) 568-3521  
**SUBJECT: Resolution Authorizing Participation in the State Rental Assistance Program**

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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:

- a. Approve the Authorizing Resolution (Attachment A) authorizing Santa Barbara County to accept a block grant from the State Housing and Community Development (HCD) Department to administer an emergency rental assistance program locally and authorizing the Director of Community Services, or designee, to execute Round 2 Block Grant Award Documents for the receipt of up to \$30,000,000;
- b. Authorize the Director of Community Services, or designee, to execute Round 2 Block Grant Award Documents in a form substantially similar to the template included as Attachment B, subject to County Counsel, Auditor-Controller, and Risk Management review and concurrence; and
- c. Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), because they consist of 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 physical impact on the environment; and are otherwise exempt pursuant to CEQA Guidelines Section 15269 as it consists of a specific action necessary to mitigate an emergency.

**Summary Text:**

On March 11, 2021 the President signed the American Rescue Plan Act of 2021 (ARPA) which included \$21.55 billion in emergency rental assistance (“ERA 2”). This is in addition to the 2021 Consolidated Appropriations Act emergency rental assistance (“ERA 1”) program.

The County was allocated \$16,610,602 of federal ERA 2 ARPA funds from the U.S. Treasury to provide direct assistance to renter households in the form of rent, rental arrears, utilities, utility arrears, and other housing expenses resulting from the pandemic. Additionally, pursuant to the County’s Letter of Intent to the State Housing and Community Development Department (State HCD) that was ratified by Board on August 17th, the County anticipates receiving an estimated \$12,453,351 of the State’s ERA 2 allocation to administer emergency rental assistance to qualifying County residents. The Recommended action to Approve the Authorizing Resolution (Attachment A), and Recommended Action to designate the Director of the Community Services Department or designee as an authorized signatory for the State Round 2 Block Grant Award Documents, will expedite the County receiving the State ERA 2 funds, and any additional funds that State HCD may thereafter reallocate to Santa Barbara County up to an estimated total of \$30,000,000. A draft template of the State ERA 2 Block Grant Award Documents is attached hereto as Attachment B. Pursuant to the recommended actions, the Community Services Director will be delegated authority to execute the final form of the State ERA 2 Block Grant Award Documents which will be in a form substantially similar to the draft template and subject to County Counsel, Auditor-Controller, and Risk Management review and concurrence. Staff will return to the Board at a later date for approval of a subrecipient agreement with United Way of Santa Barbara County to administer the County’s direct State ARPA ERA 2 allocation.

**Background:**

The American Rescue Plan Act (ARPA)

The President signed the American Rescue Plan Act of 2021 on March 11, 2021, which included \$21.55 billion in emergency rental assistance. Tribal communities, U.S. territories, states (including the District of Columbia), and local governments with populations over 200,000 are eligible to receive funding. Grantees can use up to 15% of their allocation for administrative costs attributable to providing financial assistance, housing stability services, and other affordable rental housing and eviction prevention activities. The remaining funds must be used for rent, rental arrears, relocation expenses, utilities, utility arrears, and other housing expenses resulting from the pandemic for qualifying households.

The County was allocated \$16,610,602 in ERA 2 funds, of which \$6,644,241 has been received as of the docketing this Board Letter. On August 17<sup>th</sup> the Board approved a sub-agreement with United Way of Santa Barbara County for \$4,201,614, which was increased on October 15, 2021 to include all funds received under this direct ARPA ERA 2 allocation. This \$6,644,241 U.S. Treasury ERA 2 funding is providing emergency rent and utility payments County-wide to qualifying renter households.

The below table summarizes the ERAP funding amounts to the County from federal and state sources.

<b>U. S. Treasury (direct to County)</b>		<b>State of California</b>	
<u>ERA Round 1</u>	<u>ERA Round 2</u>	<u>ERA Round 1</u>	<u>ERA Round 2*</u>
13,275,190	\$16,610,602	\$14,287,321	\$12,453,350.90
Direct Assistance fully expended by United	\$6,644,240.84 received and under contract for United Way to	Funds projected to be exhausted, application portal closed.	This Board Letter recommends authorizing receipt of a State Block

Approval of State ERA 2 Authorizing Resolution

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Way, application portal closed.	administer ERA 2 program; currently accepting applications.		Grant by the County for local administration.
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\*Subject of this Board Letter.

Assembly Bill 832

On June 28, 2021 Governor Newsom signed AB 832 updating SB 91 to, without limitation:

- Allocate emergency rental assistance funds received under the American Rescue Plan to counties;
- Expand emergency rent assistance funding eligibility for 100% of rental arrears and future rent for both landlord and tenants (previously SB 91 required 20% debt forgiveness by landlords); and
- Extend eviction protections for non-payment of rent related to the impacts of the COVID-19 pandemic from June 30, 2021 to September 30, 2021, and prevent evictions from October 1, 2021 to March 20, 2022 for rental debt accumulated due to COVID-19 unless the landlord has applied for and been denied rental assistance funding to cover the rental debt.

**Discussion:**

ERA 1: The County’s direct \$13,275,190 allocation is fully expended; the State has closed their application based on the number of applications received and projected exhaustion of the State ERA 1 \$14,287,321 reservation for Santa Barbara County residents. Through September 30, 2021, 1577 Santa Barbara County renter-households were assisted with County ERA 1 funds administered by United Way.

ERA 2: The local County program through United Way is currently accepting and processing applications utilizing the County’s direct ERA 2 allocation from Treasury. Upon receipt of funds from the State per the Authorizing Resolution (Attachment A) and substantially similar form of the Template State 2 ERA 2 Block Grant Documents (Attachment B), Staff will return to the Board for approval of a subrecipient agreement with United Way to administer the State ERA 2 funds. Based on guidance from State ERAP Block Grant Program staff, the County’s direct allocation of US Treasury ERA 2 funds should be exhausted prior to using State ERAP funds. While the program guidelines and United Way application portal are identical, the State ERA 2 funds are anticipated to be in a separate subrecipient agreement from the County’s direct Treasury ERA 2 subrecipient agreement for purposes of reporting.

**Performance Measure:**

The County receives and reviews reports from United Way tracking number of residents served and funds expended. In addition, the County monitors for compliance that priority be given to households with incomes at or below fifty-percent (50%) of the area median income. Monthly and quarterly reports to Treasury are required.

**Fiscal and Facilities Impacts:**

Up to 15% of the direct U.S. Treasury ERA 2 allocation, and up to 13.5% of the State ERA 2 block grant may be used by the County for administrative expenses. County general funds are used to

supplement HCD's overall administrative expenses; however, no County funds are being used to fund the Program.

**Fiscal Analysis:**

Approving the recommended Authorizing Resolution and execution of the State Round 2 Block Grant Award Documents will result in the County receiving up to \$30,000,000 for an Emergency Rental Assistance Program in conformance with the American Rescue Plan, Assembly Bill 832, and ensuing Treasury and State HCD guidance. While the resolution authorizes a higher amount to account for expected reallocations of funds by the State of California, \$12,453,351 is anticipated to be included in the Round 2 Block Grant Award Documents based on funds currently made available by U.S. Treasury and accounting for the State's 1.5% administrative fee. Staff will return to the Board for the programming of these funds.

**Key Contract Risks:**

Staff will return to the Board for the programming of these funds. The subrecipient agreement will specify eligible expenses and County staff will review each payment request submitted by the subrecipient to ensure that expenses incurred were for eligible costs. County staff will conduct ongoing monitoring to assure that the Program is being administered in accordance with regulatory requirements. The U.S. Department of Treasury could require the County to repay federal funds with non-federal funds expended for ineligible expenses with non-federal funds. U.S. Treasury ERA 2 funds expire on September 30, 2025. Monthly and quarterly reports to Treasury and bi-weekly reports to the State on funding provided per household is required.

**Staffing Impacts:**

No new staffing impacts. The Program recommended for funding will be overseen by existing County HCD staff.

**Special Instructions:**

1. Please return one copy of the Minute Order to Ted Teyber at [eteyber@co.santa-barbara.ca.us](mailto:eteyber@co.santa-barbara.ca.us).
2. Please return one executed copy of the Authorizing Resolution to Ted Teyber at [eteyber@co.santa-barbara.ca.us](mailto:eteyber@co.santa-barbara.ca.us).
3. Please retain one executed original of the Agreement for COB records.

Author: Ted Teyber, Senior Housing Specialist

**Attachments:**

- A: Authorizing Resolution
- B: Template State ERA 2 Block Grant Award Documents

**Attachment A**  
Authorizing Resolution

**Attachment B**

Template State ERA 2 Block Grant Agreement