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City Council Agenda Item

City Council Meeting Date: December 5, 2023

TO: Dean Albro, City Manager

FROM: Chanel Ovalle, Community Development Program Manager
c_ovalle@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution 6619(23) to Allocate the City of Lompoc's 2023-24 HOME Consortium Funds to the Housing Authority of Santa Barbara County for a Lompoc Tenant-Based Rental Assistance Program

Recommendation:

Staff recommends the City Council adopt Resolution No. 6619(23) (Attachment 1) to allocate the City's 2023-24 HOME Consortium Funds in the amount of \$123,933 to the Housing Authority of Santa Barbara County (HASBARCO) for a Lompoc Tenant-Based Rental Assistance (TBRA) Program and authorize the City Manager or designee to sign any agreements or certifications to authorize that program.

Background:

The HOME Investment Partnership Program (HOME) was created by the National Affordable Housing Act of 1990, and has been amended several times by subsequent legislation. The intent of HOME is to:

- Provide decent affordable housing to lower-income households;
- Expand the capacity of nonprofit housing providers;
- Strengthen the ability of state and local governments to provide housing; and
- Leverage private-sector participation.

HOME funds are allocated by formula to Participating Jurisdictions (PJs) that receive funds to operate the program. After set-asides for technical assistance and insular areas are subtracted from the total appropriation from Congress, 40% of each annual appropriation is allocated by formula to states and 60% to local governments. The formula is based, in part, on factors including age of units, substandard occupied units, number of families below the poverty rate, and population.

A local government, whose share of HOME funds under the formula calculation is less than \$500,000, is not offered an allocation, and cannot apply for designation as a PJ. The City does not reach the \$500,000 minimum under the formula allocation; therefore, has

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continued as a member of the Consortium with the County of Santa Barbara (County) as lead agency. The Consortium currently consists of Lompoc and the following members:

- County of Santa Barbara
- City of Buellton
- City of Carpinteria
- City of Santa Maria
- City of Solvang
- City of Goleta

Discussion:

The County has notified the City of its portion of the 2023-24 consortium funds equating to \$123,933.

It is staff's recommendation that funds be allocated to HASBARCO to administer a Tenant-Based Rental Assistance Program for Lompoc.

The funds in the amount of \$123,933 would allow for a minimum of approximately 44 homeless, veterans and poverty-stricken families to be assisted with a one-time security deposit payment to secure decent, safe, and sanitary housing. Beneficiaries are required to be low-income with annual household income not to exceed 60% of the area median income as established annually by U.S. Department of Housing and Urban Development (HUD). Security deposit payments will be paid on behalf of tenants directly to landlords and will not exceed two times the monthly rent.

With this TBRA Program, HASBARCO would receive 9% of the HOME grant funds for administration. Accordingly, HASBARCO will provide the following administrative functions to the TBRA program:

- 1) Marketing of program and solicitation of eligible beneficiaries;
- 2) Completion of income certifications;
- 3) Verification of household income annually;
- 4) Overview of owners and landlords' compliance with 24 CFR 92.253 regulations;
- 5) Completion of Housing Quality Standards Inspections;
- 6) Program receipt, disbursement, and accounting;
- 7) Program technical assistance; and
- 8) Preparation of program reports to County/City.

EXPENDITURE TYPE	GRANT BUDGET
<i>Security Deposits</i>	113,844
<i>HASBARCO Program Administration</i>	\$10,089
TOTAL	123,933

The County has ultimate responsibility to HUD on the uses and timely expenditure of HOME funds; therefore, the agreement will be between the County and HASBARCO with a requirement for use of funds exclusive to Lompoc (see Attachment 2).

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Fiscal Impact:

Allocating the City's portion of the consortium funds does not, in and of itself, have a fiscal impact to the City or its General Fund. The TBRA program funded through the Consortium will, however, have a positive fiscal impact to the Lompoc community. HOME resources provided through the Consortium are required to comply with HOME eligibility guidelines. Such guidelines provide limited scope of use, restricted to housing related projects. The coordination to allocate subject funds to HASBARCO for a Lompoc TBRA Program would not have any impact to the City's General Fund due to the nature of the operation of the program.

Conclusion:

Adoption of Resolution No. 6619(23) will allow for the allocation of City HOME Consortium funds to HASBARCO for a much needed and a well-used TBRA Program in Lompoc. This is the most cost-effective manner to administer a TBRA program with the amount of funding allocated to Lompoc. Approving the allocation to HASBARCO will ensure the City's portion of the Consortium funding is used for Lompoc.

Respectfully submitted,

Chanel Ovalle, Community Development Program Manager

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

Christie Alarcon, Community Development Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachments: 1) Resolution No. 6619(23)
2) Draft TBRA Scope of Services Agreement