



# **City of Santa Barbara**

## HOME ARP Allocation Plan

City Of Santa Barbara  
Community Development Department  
Housing & Human Services Division  
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Santa Barbara, Ca 93101

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# **HOME-ARP Allocation Plan**

**Participating Jurisdiction:** City of Santa Barbara

**Date:** March 8, 2022

## **Introduction**

On March 11, 2021, the American Rescue Plan (ARP) was signed into law, which provides federal funding to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses.

As part of this plan, the Congress appropriated ARP funds to be administered through the HOME Investment Partnership Program (HOME ARP funds) to perform four activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations. These activities include: (1) development and support of affordable housing, (2) tenant-based rental assistance (TBRA), (3) provision of supportive services; and (4) acquisition and development of non-congregate shelter units.

The City of Santa Barbara has been allocated \$1.8 million in HOME ARP funds and has developed this HOME ARP Allocation Plan describing the planned use for these funds, in accordance with federal regulations. The HOME ARP implementation guidelines are codified by the U.S. Department of Housing and Urban Development Office of Community Planning and Development Notice, CPD-21-10.

## **Consultation**

### ***Summarize the consultation process:***

Below is a summary list of the consultation efforts

- Discussion with Santa Maria/Santa Barbara County Continuum of Care - Jan. 13, 2022
- Discussion with Elected Leaders Forum - Jan. 14, 2022
- Public review period – Jan. 27 – Feb. 26, 2022
- City Council Public Hearing: March 1, 2022
- Direct correspondence with agencies that serve qualifying populations

***List the organizations consulted, and summarize the feedback received from these entities.***

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
Channel Islands YMCA	Nonprofit Service Provider for qualifying populations	Direct correspondence	Support of TBRA and supportive services for homeless youth
City Net	Nonprofit Service Provider for qualifying populations	Direct correspondence	Support funding for provision of supportive services to persons placed into housing
Independent Living Resource Center	Nonprofit Service Provider for persons with disabilities	Direct correspondence	
Legal Aid Foundation	Nonprofit Service Provider for civil rights and fair housing	Direct correspondence	
Salvation Army	Nonprofit Service Provider for qualifying populations	Direct correspondence	Development and support of affordable housing and the supportive services that help the participants stay housed are the most important.
SB ACT	Community Group for homeless persons and victims of trafficking	Direct correspondence	Support of Navigation Centers, non-congregate bridge housing and, permanent supportive housing.
Transition House	Nonprofit Service Provider for qualifying populations	Direct correspondence	
City of Carpinteria	Local Government	Elected Leaders Forum on Homelessness	
City Of Goleta	Local Government	Elected Leaders Forum on Homelessness	
City of Lompoc	Local Government	Elected Leaders Forum on Homelessness	
Congressman Carbajal's office	Elected Official	Elected Leaders Forum on Homelessness	
County of Santa Barbara	Local Government	Elected Leaders Forum on Homelessness	Submitted request for supportive services funds for persons with EHV vouchers
County Supervisors	Elected Official	Elected Leaders Forum on Homelessness	
District Attorney's office	County Department	Elected Leaders Forum on Homelessness	
Private Citizens		Elected Leaders Forum on Homelessness	
Public Health Department	County Department	Elected Leaders Forum on Homelessness	
SB CAG	Government Agency	Elected Leaders Forum on Homelessness	
State Assembly office	Elected Official	Elected Leaders Forum on Homelessness	
State Senate office	Elected Official	Elected Leaders Forum on Homelessness	
US Senate office	Elected Official	Elected Leaders Forum on Homelessness	
Behavioral Wellness Department	County Department and service provider for qualifying population	Santa Maria/Santa Barbara County Continuum of Care board meeting	
City of Santa Maria	Local Government	Santa Maria/Santa Barbara County Continuum of Care board meeting	
County Education Office	County Department	Santa Maria/Santa Barbara County Continuum of Care board meeting	
Domestic Violence Solutions	Nonprofit Service Provider for victims of domestic violence	Santa Maria/Santa Barbara County Continuum of Care board meeting	
Good Samaritan Shelter	Nonprofit Service Provider for qualifying populations	Santa Maria/Santa Barbara County Continuum of Care board meeting	
Housing Authority of the City of Santa Barbara	Public Housing Authority and housing provider for qualifying population	Santa Maria/Santa Barbara County Continuum of Care board meeting	Support funding for provision of supportive services to persons placed into housing
Housing Authority of the County of Santa Barbara	Public Housing Authority and housing provider for qualifying population	Santa Maria/Santa Barbara County Continuum of Care board meeting	
New Beginnings Counseling Center	Nonprofit Service Provider for qualifying population and veterans	Santa Maria/Santa Barbara County Continuum of Care board meeting	
Pacific Pride Foundation	Nonprofit Service Provider for qualifying population and persons with AIDS/HIV	Santa Maria/Santa Barbara County Continuum of Care board meeting	
People Assisting the Homeless	Nonprofit Service Provider for qualifying population	Santa Maria/Santa Barbara County Continuum of Care board meeting	
Peoples Self Help Housing	Nonprofit Service Provider and low-income housing developer	Santa Maria/Santa Barbara County Continuum of Care board meeting	
Santa Maria/Santa Barbara County Continuum of Care	Continuum of Care	Santa Maria/Santa Barbara County Continuum of Care board meeting	
Social Venture Partners	Philanthropic Foundation	Santa Maria/Santa Barbara County Continuum of Care board meeting	
UCSB	Higher Education	Santa Maria/Santa Barbara County Continuum of Care board meeting	

The feedback received from consulting the above listed organizations was to prioritize funding for supportive services, specifically for persons placed into housing so that they can remain housed. The second most common theme was support for the development of housing units for the qualifying population.

**Public Participation**

*Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:*

- *Public comment period: start date - 1/27/2022 end date - 2/26/2022*
- *Public hearing: 3/1/2022*

In accordance with the City’s Citizen Participation Plan, the draft Allocation Plan was made available for a 30-day public review and comment period. The draft plan was posted on the City Website home page, and a notice was published in the Santa Barbara News Press. A Public Hearing was held before the City Council on March 1.

*Describe any efforts to broaden public participation:*

The draft plan was posted on the City Website home page, and a notice was published in the Santa Barbara News Press. The public hearing was noticed as per the Brown Act. Notices included the process to request physical accommodations and/or documents in alternate formats. Due to the Covid-19 pandemic all public meetings were held virtually, as allowed by law.

*Summarize the comments and recommendations received through the public participation process:*

There were no public comments submitted.

*Summarize any comments or recommendations not accepted and state the reasons why:*

Not applicable.

**Needs Assessment and Gaps Analysis**

*Describe the size and demographic composition of qualifying populations within the PJ’s boundaries:*

Santa Barbara has the highest population of persons experiencing homelessness in Santa Barbara County. The 2020 Point in Time (PIT) count found 1,897 persons experiencing homelessness countywide, with 68% of those in the South Coast. Notably, of the total countywide homeless population, 48% were specifically within the City of Santa Barbara.

Notably, PIT count data only provides a snapshot of the current state of homelessness within the community on a given date, however Homeless Management Information System (HMIS) data shows that the numbers could be higher. According to the County of Santa Barbara 2020-2021 HUD performance data, 3,347 persons experiencing homelessness were served during this period, which is almost double than PIT counts.

In regard to demographics, VI-SPDAT (Vulnerability Index - Service Prioritization Decision

Assistance Tool) assessment data shows that: 80% of persons experiencing homelessness were White; 10% were Black/African-American; 2% were Native Hawaiian or Pacific Islander; 1% were Asian. Thirty one percent were Hispanic. These demographics are generally in line with U.S. Census demographics with two exceptions: Black/African-American persons only make up 2% of the overall citywide population, while making up 10% of the homeless population; and Native Hawaiian or Pacific Islanders, which only make up 0.2% of the general population, but make up 2% of the homeless population. While two different data sources were used for this assessment, this disparity should still be noted and a greater emphasis should be placed on addressing the needs of these particular populations.

Additionally, VI-SPDAT data shows that 19% have a physical disability, 44% have a chronic health condition, 30% have a substance use disorder, and 34% have mental health conditions or brain injuries. The PIT identified 117 homeless veterans countywide, which is a decrease from 210 counted in 2020. New Beginnings Counseling Center reported serving 372 veterans and their families in Santa Barbara through its Supportive Services for Veteran Families program.

The City's 2020 – 2024 Consolidated Plan, based on the National Intimate Partner and Sexual Violence Survey by CDC and ACS population data, estimates that about 4,055 Santa Barbara residents (5.5% of women and 5.2% of men) experience rape, physical violence, and/or stalking by an intimate partner annually.

In 2019, Domestic Violence Solutions for Santa Barbara County (DVS), the only agency in Santa Barbara County focused on providing shelter and assistance to victims of domestic violence served approximately 480 individuals at its emergency shelters; 5,200 individuals through its crisis call line; and 400 individuals through assistance with first responder calls. Also, Standing Together to End Sexual Assault, a counseling and advocacy organization in Santa Barbara reports providing services to more than 500 survivors of sexual assault and their significant others annually.

Although the supportive and housing services needed by this population vary, generally, all need health care and counseling immediately following the event and continued mental health support to assist with the traumatic stress disorder related to the event. Victims may also require assistance with substance abuse and mental health services, both of which are common among this population.

Moreover, access to affordable housing is also critical: the National Alliance to End Homelessness argues that a “strong investment in housing is crucial [to victims of domestic violence]...so that the family or woman is able to leave the shelter system as quickly as possible without returning to the abuse.” The Alliance also reports that studies on homelessness have shown a correlation between domestic violence and homelessness.

***Describe the unmet housing and service needs of qualifying populations, including but not limited to:***

- ***Sheltered and unsheltered homeless populations;***
- ***Those currently housed populations at risk of homelessness;***

- *Other families requiring services or housing assistance or to prevent homelessness; and,*
- *Those at greatest risk of housing instability or in unstable housing situations:*

Although there are a number of shelter options in the city, there are not enough to meet demand. According to the County Action Plan, an additional 68% emergency shelter beds above those currently available are needed countywide to house all the individuals that are living in cars, tents, parks, streets, and riverbeds. In 2019, the Santa Barbara County Community Action Plan to Address Homelessness identified the number and types of temporary and permanent housing needed to satisfy the current unmet need of persons experiencing homelessness in the South County.

- Temporary beds, i.e. shelter beds – 369
- Rapid Rehousing – 537
- Permanent Supportive Housing – 602
- Long Term Subsidy - 270

More recently, the Santa Maria/Santa Barbara County Continuum of Care annual gaps analysis found a continued large need for additional housing, shelter and services. Specifically, 551 interim housing beds; rental assistance for 801 households; 994 supportive housing units; outreach services for 886 individuals; prevention/diversion services for 430 households.

There is a number of services available to victims of domestic violence, but capacity is limited. Specifically in terms of housing and shelter, Domestic Violence Solutions’ emergency shelter in Santa Barbara has 8 rooms, each with 2 sets of bunk beds and a single room with one bed, and shelter is generally limited to 60 days. DVS also provides permanent housing project-based Section 8 housing for 15 domestic violence survivors and their families.

Housing specifically for homeless veterans is also limited; the Housing Authority of the City of Santa Barbara has access to 30 HUD VASH vouchers, and recently opened Johnson Court- which provides 16 studio units dedicated to homeless veterans – the only of its kind in Santa Barbara.

Low income households are at greatest risk of housing instability and are at greater risk of homelessness. Santa Barbara is one of the most expensive cities to live in. Real estate data retrieved by Compass Real Estate shows that as of October 2021, the median residential sales price in the City of Santa Barbara is \$1,600,000: an increase of 7.2% from the previous year. The City’s annual rental housing survey in 2021 found that the cost of renting a house or apartment in Santa Barbara is extremely high. The median rent for a studio apartment was \$1,700 per month, and a one bedroom costs about \$1,900 per month. Larger apartments increase significantly in cost: \$2,700 for a 2-bedroom apartment, and \$3,950 for a 3-bedroom, which severely impacts larger households.

Additionally the Housing Market Analysis of the City’s 2020 Consolidated Plan found more than 3,400 households at 30% less of the Area Median Income, were “cost burdened” (defined as paying more than 30% of income on rent) or “severely cost burdened” (paying more than 50% of income on rent).

The Market Analysis also found that between 2000 and 2018 the median home value in Santa Barbara doubled (from \$479,800 to \$993,600) and median contract rent rose by 89 percent (from \$886 to \$1,671). Meanwhile, median incomes only rose by 22 percent (between 2010 and 2018).

***Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:***

The City of Santa Barbara has a few resources directly available to assist qualifying populations. The City is an entitlement jurisdiction for Community Development Block Grants (CDBG) and HOME Investment Partnership funds, and Permanent Local Housing Allocation (PLHA) from the State of California.

The City allocates its entire 15% CDBG Public Services cap for activities that provide shelter or housing to persons experiencing homelessness and victims of domestic violence. The City also has access to approximately \$600,000 in CDBG Revolving Loan Funds for rehabilitation of multi-unit affordable housing.

Also, the City allocated the majority of its HOME allocation for TBRA activities for persons who are homeless or at-risk of homelessness. Additionally, the City also makes available General Fund dollars to supplement supportive services and shelter programs on an annual basis.

In fiscal year 2020-2021 the City committed funds as shown in the following table.

<b>TYPE OF PROGRAM</b>	<b>FUNDING SOURCE</b>	<b>AMOUNT</b>
Prevention	Human Services (General Fund)	\$37,145
TBRA	HOME Entitlement & Program Income	\$491,725
Shelter Services	CDBG Public Services and General Fund	\$423,828
Supportive Services	Human Services and California PLHA	\$402,200

The City Council of Santa Barbara recognizes the urgency of the homelessness crisis, and during 2021 approved three one-time funding allocations totaling \$3.3 million in City reserves to provide non-congregate shelter to persons living in high risk encampments. However, as a result of the COVID 19 pandemic, the City has experienced a significant decline in major revenue sources, including sales tax, transient occupancy tax, and various departmental revenues. The City does not have the financial capacity to fund such large scale projects on an ongoing basis without a steady, ongoing source of direct funding.

***Identify any gaps within the current shelter and housing inventory as well as the service delivery system:***

As stated earlier, the Santa Maria/Santa Barbara County Continuum of Care annual gaps analysis found a continued large need for additional housing, shelter and services. As demonstrated in the table below.

<b>HOUSING AND SERVICES</b>	<b>TOTAL NEED (FROM COC GAPS ANALYSIS)</b>	<b>AMOUNT AVAILABLE ANNUALLY</b>	<b>UNMET NEED</b>
Interim			
Housing/Shelter	2,838	1,690	551
Rental Assistance	1,546	745	801
Supportive Housing	1147	153	994
Outreach Services	1,835	949	886
Prevention /Diversion	480	50	430

Source: County of Santa Barbara HOME ARP Allocation Plan

***Identify the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such conditions in its definition of “other populations” as established in the HOME-ARP Notice:***

The City intends to support activities that provide housing and support services to all qualifying populations as defined in section IV.A. *Qualifying Populations* of HUD’s Notice CPD-21-10, which establishes the implementation rules of the HOME-ARP program.

***Identify priority needs for qualifying populations:***

The priority needs for the qualifying populations include providing HOME ARP funds for acquisition, rehabilitation or construction of affordable housing, and supportive services that enable qualifying populations to obtain and maintain permanent housing. Based on feedback received during the consultation process the greatest priority should be given to the provision of supportive services.

***Explain how the level of need and gaps in its shelter and housing inventory and service delivery systems based on the data presented in the plan were determined:***

The Santa Maria/Santa Barbara County Continuum of Care’s annual gaps analysis was developed using data from the Point in Time Count, Housing Inventory Count, HMIS and Coordinated Entry System data from 2019, and available data from 2020 and 2021.

## **HOME-ARP Activities**

***Describe the method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly:***

The City will administer HOME ARP funds directly. For specific activities, when a program is outside the capacity of City staff, the City will conduct a Request for Proposals to select a qualified service provider. For housing activities, the City will conduct a Request for Proposals to identify a qualified development project.

The City will also accept and evaluate written formal requests for funding from partner agencies such as Santa Barbara County, the Santa Maria/Santa Barbara County Continuum of Care, or the Housing Authority of the City of Santa Barbara.



***If any portion of the PJ's HOME-ARP administrative funds were provided to a subrecipient or contractor prior to HUD's acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ's entire HOME-ARP grant, identify the subrecipient or contractor and describe its role and responsibilities in administering all of the PJ's HOME-ARP program:***

Not applicable. City staff will administer HOME ARP funds directly.

***PJs must indicate the amount of HOME-ARP funding that is planned for each eligible HOME-ARP activity type and demonstrate that any planned funding for nonprofit organization operating assistance, nonprofit capacity building, and administrative costs is within HOME-ARP limits.***

***The following table may be used to meet this requirement.***

**Use of HOME-ARP Funding**

	<b>Funding Amount</b>	<b>Percent of the Grant</b>	<b>Statutory Limit</b>
Supportive Services	\$ 600,000		
Acquisition and Development of Non- Congregate Shelters	\$ 0		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 982,863.20		
Non-Profit Operating	\$ 0	0 %	5%
Non-Profit Capacity Building	\$ 0	0 %	5%
Administration and Planning	\$ 279,328.80	15 %	15%
<b>Total HOME ARP Allocation</b>	<b>\$ 1,862,192</b>		

***Additional narrative, if applicable:***

Not applicable.

***Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:***

As previously stated, the Continuum of Care's gap analysis demonstrated continued need for additional housing, shelter, and supportive services countywide. Specifically, there is need for 551 interim housing beds, rental assistance for 801 households, 994 supportive housing units, outreach services for 886 individuals, and prevention /diversion services for 430 households. Considering that 48% of the countywide homeless population resides within the City of Santa Barbara, a significant amount of these resources are needed locally.

There are significant gaps across the entire shelter and housing inventory, and service delivery system. The City leverages local resources to help meet the local need, but it does not receive consistent direct funding to fill all the aforementioned gaps.

The state of California has made significant investments to provide financial assistance to local jurisdictions to address homelessness, such as Project Homekey and Homeless Housing and

Assistance Program (HHAP), but those funds do not come to the City directly and in cases like Project Homekey, are awarded competitively or are allocated through the County and/or the CoC.

Given the City's limited resources, the rationale for funding the aforementioned activities is that HOME ARP funds give the city the ability to leverage funds to acquire, develop or rehabilitate housing with funds made available through financial programs like Project Homekey. Given the high cost of real estate in Santa Barbara, where local real estate data shows that in the first three quarters of 2021 there were 33 commercial sales that totaled \$89.4 million, it is necessary to leverage the most amount of funding possible. Additionally, the need for supportive services dollars to help persons placed into housing remain housed has been identified as a crucial unmet need by both service providers and the County CoC.

## **HOME-ARP Production Housing Goals**

***Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:***

The City estimates it will produce or support the development of 10 -30 affordable rental housing units for qualifying populations. No less than 70% of the affordable rental housing units acquired, rehabilitated or constructed with HOME-ARP funds must be occupied by households in the qualifying populations.

***Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how it will address the PJ's priority needs:***

The City of Santa Barbara continues to place as high priority on decent housing. As described in detail in the City's 2020-2024 Consolidated Plan Needs Assessment and Market Analysis, the city has a shortage of affordable housing units, a shortage of accessible housing units, relatively older housing stock, and rental units that are in poor condition.

The need for decent housing has consistently been identified as a top concern in Santa Barbara, coupled with the high number of persons experiencing homelessness in Santa Barbara. As such, the City has prioritized the acquisition, rehabilitation or construction of affordable housing, as well as provision of support services to homeless individuals over numerous years. The City will provide HOME-ARP funding to achieve the goal of increasing the inventory of affordable rental housing units, and supportive services. It will support the provision of decent housing by increasing the availability and accessibility of affordable housing for qualifying populations.

## Preferences

***Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:***

- *Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a).*
- *PJs are not required to describe specific projects to which the preferences will apply.*

Not applicable. The City intends to support activities that provide housing and support services to all qualifying populations as defined in section IV.A. *Qualifying Populations* of HUD's Notice CPD-21-10, which establishes the implementation rules of the HOME-ARP program.

***If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or category of qualifying population, consistent with the PJ's needs assessment and gap analysis:***

Not applicable.

***If a preference was identified, describe how the PJ will use HOME-ARP funds to address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the preference:***

Not applicable.

## HOME-ARP Refinancing Guidelines

*If the PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds, the PJ must state its HOME- ARP refinancing guidelines in accordance with [24 CFR 92.206\(b\)](#). The guidelines must describe the conditions under which the PJ will refinance existing debt for a HOME-ARP rental project, including:*

- *Establish a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing to demonstrate that rehabilitation of HOME-ARP rental housing is the primary eligible activity*
- *Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.*
- *State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.*

- *Specify the required compliance period, whether it is the minimum 15 years or longer.*
- *State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.*
- *Other requirements in the PJ's guidelines, if applicable:*

Not applicable. The City of Santa Barbara will not use HOME-ARP funds to refinance existing debt.

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