

Housing and Community Development Department

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Honorable Clifford R. Anderson, III
Presiding Judge, Santa Barbara County Superior Court
PO Box 21107
Santa Barbara, CA 93121-1107

Subject: Department of Housing and Community Development response to 2002-2003 Grand Jury report, "Guadalupe – A City in Turmoil and Transition."

In accordance with California Penal Code Sections 933 [c] and 933.05, we are responding to the applicable Grand Jury Findings and Recommendations contained in the 2002-2003 Grand Jury Report on Guadalupe – A City in Turmoil and Transition.

Finding 15: The Santa Barbara County Economic Development Advisory Committee approved a grant in the amount of \$45,700 to the Guadalupe Chamber of Commerce for office renovation, furniture, computer hardware and software, and office staffing. The current relationship between The Community Connection, Inc. and the Chamber regarding who is operating the facility for which these funds were received is unclear. In addition, no inventory of the furnishings, equipment and hardware currently located in the facility is available.

Recommendation 15: The Santa Barbara County Office of the Auditor-Controller, and the Santa Barbara County Counsel's Office should review the grant made by the Santa Barbara County Economic Advisory Committee to the Guadalupe Chamber of Commerce, to determine if the current relationship between The Community Connection, Inc. and the Guadalupe Chamber of Commerce is consistent with the terms and conditions of the grant. The Santa Barbara County Housing and Community Development Department's Economic Development Advisory Committee needs to oversee a full inventory of all furnishings, equipment and hardware currently located in the facility and to determine the legal owner of the items inventoried.

Response: We agree that the organizational relationship between the Guadalupe Chamber of Commerce and the Community Connections of Guadalupe is very unclear, specifically in regards to operation and management of the business assistance facility located at 873 Guadalupe Street. It is equally unclear as to how the Economic Development Advisory Committee (EDAC) grant funds were expressly utilized, given the limited documentation provided to staff, and the

sometimes conflicting verbal input received by county staff in conversations with Chamber and Community Connections personnel.

Housing and Community Development (HCD) staff performed a visual inspection of the facility on April 10, 2003, and again on May 27, 2003, in compliance with the Grand Jury recommendation. At that time, staff was presented with a written inventory, which listed equipment and furnishings present in the facility, and the source of funding for the equipment.

HCD arranged the May 27 meeting and coordinated with the Auditor-Controller's office to meet with boardmembers and staff from the Chamber of Commerce and Community Connections, and receive documentation relevant to the project and grant. Sufficient documentation was compiled and presented to Auditor-Controller for their review.

In January of this year, HCD staff began developing EDAC grant procedures, including a scorecard for review of applications. A draft of these guidelines were reviewed by EDAC at their May meeting. This was a staff-driven project, recognizing the need for written policies for the grant program, including issues such as application review, grantee reporting, and final grant monitoring. Revisions were recommended by EDAC, and they are scheduled to adopt these guidelines at their July meeting.

These guidelines will incorporate a schedule of quarterly reports by grantees, and quarterly site visits by HCD staff to review the project or program, and inventory any equipment purchased with grant funds. Additionally, a more detailed grant agreement is being developed by staff that will, among other things, clarify that any furniture, fixtures, or equipment purchased with an EDAC grant will remain the property of the County of Santa Barbara. HCD staff also is developing an inventory management system to track such equipment.

We thank the Grand Jury for their interest and advice on this issue, and will do our utmost to ensure that County grant funds are utilized in the manner prescribed in the Grant Agreement, and County policies and procedures. Further, staff will ensure that all departmental funds are used ethically, effectively, and efficiently.

Respectfully submitted,

Edward L. Moses
Director of Housing and Community Development
County of Santa Barbara