



# COMMUNITY DEVELOPMENT SERVICES

## LONG RANGE PLANNING

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Date: November 14, 2017

To: Board of Supervisors

From: C.J. Freeland, Department Analyst II  
Housing, Community and Economic Development Programs  
Planning and Building Department

Subject: Request approval to apply for Community Development Block Grant funding under the 2017 Notice of Funding Availability

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### PURPOSE/SUMMARY

Community Development Services, Planning and Building Department, Housing Community and Economic Development (HCED) Program, together with the Health and Human Services Agency (HHSA), and in cooperation with the Chief Administrative Office (CAO) Facilities Division, is recommending the Board of Supervisors (Board) approve staff's request to apply for 2017 Community Development Block Grant (CDBG) funding for the following programs/projects to take place within the unincorporated area of the County:

- 1) Up to \$1,000,000 for Homeownership and Housing Rehabilitation Assistance Loan Programs; and
- 2) Up to \$4,000,000 for Public Facilities Rehabilitation.

Additionally, under the Community Development Allocation, staff is requesting Board approval to expend approximately \$300,000 in existing or anticipated Program Income for eligible Supplemental Activities/Public Service Program for senior daycare.

### BACKGROUND/DISCUSSION

On September 1, 2017, the California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) announcing the availability of Community Development Block Grant (CDBG) funds, under the Community Development Allocation, the Economic Development Allocation and Planning and Technical Assistance Allocation, and is authorized to make those funds available to jurisdictions. Grant applications are due to the HCD on or before December 1, 2017. Award notifications are anticipated by March 2018.

Proposed CDBG Grant Application Components:

Homeownership and Housing Rehabilitation Assistance Loan Programs:

Staff is preparing an application for up to \$1,000,000 in CDBG grant funds for Homeownership and Housing Rehabilitation Assistance Loan Programs to benefit low-income households earning less than 80 percent of the area median income to assist the County in meeting the goals identified in the General Plan Housing Element. If awarded, it is anticipated that additional grant funds would provide loans to approximately twelve (12) income-eligible households over the three-year grant term. County staff would administer the grants.

The continuation of the Housing Loan Programs will assist the County in meeting the Housing Element goals identified in the following Measures:

- Measure HO-2013-33: to “continue to make rehabilitation loans to qualifying very low- and low-income households”
- Measure HO-2013-24: to “work with property owners to preserve the existing housing stock”
- Measure HO-2013-20: to “apply for funds in support of housing rehabilitation and weatherization programs for low-income households” and
- Measure HO-2013-19: to “continue to apply for funding in support of a first-time homebuyers program.”

On April 5, 1994, the Board adopted Resolution 86-94 which established the County's Housing Rehabilitation Program through a HCD CDBG award. On February 4, 2003, the Board adopted Resolution 024-2003 which established a First-Time Homebuyer Loan Program through an additional CDBG award. The County has continued to apply for CDBG and Home Investment Partnerships (HOME) Program grant funding which has allowed for the continued provision of housing loans to low-income households.

Since 1994, the Housing Rehabilitation Loan Program has assisted 69 homeowners to eliminate health and safety hazards in their homes and continues to be available on a first-come, first-served basis. The First-Time Homebuyer Loan Program has assisted 49 income-qualified families with the purchase of their homes.

Public Facilities:

Staff is preparing an application for up to \$4,000,000 for Public Facilities to rehabilitate the Senior Center building located at 937 Spring Street in Placerville. The final dollar amount will be subject to the condition assessment and cost analysis currently underway by the CAO Facilities Division through a contact with Vanir Construction Management, Inc. (Vanir).

The County owns a building complex in the City of Placerville at 937 Spring Street that serves as a senior center and accommodates other senior-oriented services provided by the County. The building, constructed around 1969, was identified in a Vanir facilities study in June of 2013 as one with critical needs and numerous building integrity deficiencies. According to Vanir, “the



building is old but well-constructed.” Grant funding is being sought to address the most critical rehabilitation needs to ensure services can continue into the future.

Current rehabilitation needs may include, but are not limited to, replacement of failing mechanical systems, replacement or renovation of roofing/flashing and windows, lighting and electrical upgrades for energy efficiency, high voltage electric service and fire system renovation or replacement to meet fire safety and life safety needs, repair/replace plumbing with high efficiency systems, and update facility to meet current ADA standards. When reconditioning a building of this age with extensive deferred maintenance, extensive renovations to the mechanical, electrical, and plumbing systems as well as asbestos or lead based paint abatement may be necessary to ensure that updates are completed to be code compliant and the building can operate functionally into the foreseeable future.

The building houses multiple senior services provided by HHSA and the Area Agency on Aging Programs. Seniors access services through this location more than 19,000 times per year and many participate in on-going programs and activities which together account for more than 1,000 hours of organized activities for seniors per month. To ensure community needs are met, a robust pool of community-based volunteers assist HHSA staff by delivering meals, working reception, providing counseling, and supporting ongoing day-to-day operations.

Services include: Family Caregiver Support Program, Senior Legal Services, Long-Term Care Ombudsman, Senior Health Education Program, Senior Nutrition, Health Insurance Counseling and Advocacy Program, and many others. The Spring Street Center also provides many program services to low-income families, such as the California Special Supplemental Nutrition Program for Women Infants and Children (WIC). In addition, the Weatherization Assistance Program and the Home Energy Assistance Program available at the Spring Street facility enable low-income families to reduce their energy bills by making their homes more energy efficient or by helping defray utility costs.

Public Service Program:

Staff is preparing an application for a supplemental activity Public Service Program for the senior daycare programs supported by available CDBG Program Income (PI) for the benefit of low income seniors. It is anticipated that funds will be utilized for new or expanded art and music programs for senior daycare participants.

Program Income is revenue that the County receives as a result of repayments and/or payoffs of prior CDBG loans. Program Income must be expended prior to receiving funds directly from an open CDBG grant. Loan payoff revenue is unpredictable; therefore, the grant application includes a request to expend \$300,000 in existing or anticipated Program Income. The current balance of CDBG Program income is approximately \$60,000.

The supplemental activity is a noncompetitive component of the grant request. CDBG must make an award for a competitive activity before implementation of a supplemental activity can

occur. Supplemental activities provide a tool by which the County may expend available PI funds first on either a supplemental activity or grant-funded activities.

#### RISK TO COUNTY

CDBG funding is awarded for grant-specific eligible activities and costs as described in the grant application and subsequent Standard Agreement with the State. Repayments of loans under the Housing Rehabilitation and Homebuyer Programs are returned to the County's Revolving Loan Fund as Program Income and are not repayable to the State. If the County were to default on the terms of the Standard Agreement, the State could seek repayment of specific funds from the County. HCED works diligently with State representatives, County Counsel, Risk Management, the Auditor's Office, and funding recipients to ensure compliance with State and federal regulations governing grant funds.

#### RECOMMENDATION

Staff is recommending the Board take the following actions:

- 1) Conduct a public hearing;
- 2) Adopt a Resolution authorizing the submittal of a 2017 CDBG Application to the HCD in an amount up to \$5,000,000;
- 3) Approve the expenditure of approximately \$300,000 in existing or anticipated CDBG Program Income for a Supplemental Activity Public Service Program for senior daycare programs; and
- 4) If the grant is awarded, authorize the Planning and Building Department Director, or designee, to enter into and sign the grant agreement and any subsequent amendments and any and all other documents or instruments necessary or required by the Department or the Federal Department of Housing and Urban Development for participation in the CDBG program (collectively, the required documents) contingent upon approval by County Counsel and Risk Management.

#### CONTACT

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