



# COMMUNITY DEVELOPMENT SERVICES

## LONG RANGE PLANNING

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2850 Fairlane Court, Placerville, CA 95667  
Phone (530) 621-4650, Fax (530) 642-0508

Date: January 29, 2019

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 2018 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 2018 Community Development Block Grant (CDBG) funding for the following programs/projects:

- 1) Up to \$850,000 for Homeownership and Housing Rehabilitation Assistance Loan Programs; and
- 2) Up to \$2,060,000 for Public Facilities Rehabilitation.

### BACKGROUND/DISCUSSION

On November 1, 2018, 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 February 5, 2019. Award notifications are anticipated by April 2019.

Proposed CDBG Grant Application Components:

#### Homeownership and Housing Rehabilitation Assistance Loan Programs:

Staff is preparing an application for up to \$850,000 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 grant funds would provide loans to approximately seven (7) 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 53 income-qualified families with the purchase of their homes.

Public Facilities:

Staff is preparing an application for up to \$2,060,000 for Public Facilities to rehabilitate the Senior Center building located at 937 Spring Street in Placerville. Funding would be used to repair/replace electrical switch gear, HVAC equipment, and the roof.

The County owns a building complex in the City of Placerville at 937 Spring Street that serves as a senior center and accommodates other services oriented to older adults provided by the County. The building, constructed between 1947 and 1965, 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.” Subsequent assessments confirm that many of the mechanical systems that service the building are beyond their life expectancy and require replacement. Grant funding is being sought to address the most critical rehabilitation needs to ensure program 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 electrical switch upgrades. When reconditioning a building of this age with extensive deferred maintenance, extensive renovations to the mechanical and, electrical 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 future.

The building houses multiple services for older adults provided by HHSA and the Area Agency on Aging Programs. Older adults access services through this location more than 206,022 times per year and many participate in on-going programs and activities which together account for more than 1,211 hours of organized activities for older adults per month. 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 regardless of age, such as the Weatherization Assistance Program and the Home Energy Assistance Program to reduce energy bills by making their homes more energy efficient or by helping defray utility costs.

#### 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 if reallocated to eligible CDBG activities 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 2018 CDBG Application to the HCD in an amount up to \$2,910,000; and
- 3) 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

C.J. Freeland, HCED Programs  
Daniel Del Monte, HHSA  
Chuck Harrell, Facilities