



Joann Gonzales  
<jgonzales@hcd.ca.gov>  
02/25/2009 09:43 AM

To "jaldrich@co.el-dorado.ca.us"  
<jaldrich@co.el-dorado.ca.us>  
cc Anda Draghici <adraghic@hcd.ca.gov>  
bcc  
Subject RE: Re: 08-STBG-4982, El Dorado County

Hello Joyce:

In answer to your questions: 1) the term of the lease requirement under CDBG (what is the definition of 'long term)?; and 2) can the facility component pay the full lease period prior to expiration of the grant term?

#1. Per HUD's State Community Development Block Grant Program, Guide to National Objectives and Eligible Activities for State CDBG Program, long term is "...a lease period of 15 years or more..."

#2. After further consideration, discussion with staff, review of CDBG resources, and consultation with HUD, it was determined that the Intent to Lease is eligible under Public Facilities only when it is considered acquisition. To be considered acquisition, it must meet the following conditions:

- The lease must be for a period of 15 years or more;
- Payment must be paid up front in a lump sum lease payment equal to the appraised value of the leasehold interest.

Please note that monthly payment of a lease is considered an operational cost and is not eligible under public facilities activities.

Joann

**From:** jaldrich@co.el-dorado.ca.us [mailto:jaldrich@co.el-dorado.ca.us]  
**Sent:** Monday, February 16, 2009 7:36 AM  
**To:** Joann Gonzales  
**Subject:** Fw: Re: 08-STBG-4982, El Dorado County

Morning Joann,

I am resending the email sent a couple of weeks ago asking for more clarification to your response following our discussion with Anda. Could you please get back to me on my follow-up questions right away? My Board of Supervisors want and need an update as to our progress and without your response I don't have progress to provide them. Thank you in advance for your expeditious response,

Joyce Aldrich, Program Manager  
Housing, Community, Economic & Workforce Development  
El Dorado County Human Services  
937 Spring Street  
Placerville, CA 95667  
Phone: (530) 621-6276

Fax: (530) 295-2597

-----Forwarded by Joyce A Aldrich/PV/EDC on 02/16/2009 07:33AM -----

To: Joann Gonzales <jgonzales@hcd.ca.gov>

From: Joyce A Aldrich/PV/EDC

Date: 01/30/2009 11:51AM

cc: Anda Draghici <adraghic@hcd.ca.gov>

Subject: Re: 08-STBG-4982, El Dorado County

Joann,

Thank you for your response to the items discussed with Anda last week. I do however have a question on the Lease simply because the original application and location was intended to be a lease as well and the Intent to Lease was submitted as part of the application. In that case, the question wasn't whether United Outreach could lease a site, but rather if the CDBG funds could pay the required period of time that the CDBG regulations require the length of time the lease must be for. Therefore the questions were: 1) the term of the lease requirement under CDBG (what is the definition of 'long term'); and 2) can the facility component pay the full lease period prior to expiration of the grant term.

I hope I haven't made this more confusing, but just want to make sure I have everything straight before I provide this information to anyone else.

Thanks so much Joann, I look forward to hearing back from you at your earliest convenience,

Joyce Aldrich, Program Manager  
Housing, Community, Economic & Workforce Development  
El Dorado County Human Services  
937 Spring Street  
Placerville, CA 95667  
Phone: (530) 621-6276  
Fax: (530) 295-2597  
Joann Gonzales <jgonzales@hcd.ca.gov>

Joann Gonzales  
<jgonzales@hcd.ca.gov>

To: "jaldrich@co.el-dorado.ca.us"  
<jaldrich@co.el-dorado.ca.us>

01/30/2009 10:21 AM

cc: Anda Draghici <adraghic@hcd.ca.gov>

Subject: 08-STBG-4982, El Dorado County  
ct

Hello Joyce:

Anda has asked me to follow-up to questions as a result of the conference call last week; I am sorry I was not available.

I have attached a sheet that provides the scoring breakdown for the County. Please take note to the scores highlighted in red (i.e., need, leverage, capacity and readiness); these scores in particular can change based on whether the documentation provided for the new site is comparable to the initial application.

Further, please follow the appropriate process for public notices, hearings, and citizen participation .

(See CDBG Grant Management Manual, Chapter 18 - (  
<http://www.hcd.ca.gov/fa/cdbg/manual/Chapter18CitizenParticipation.doc> .)

In regard to utilizing CDBG funds to pay lease payments for the land (ground lease); based on the fact that the activity in your application is explicitly a public facility, and we are considering just a change in site of the project, in order to maintain comparability, the use of CDBG funds for this type of expense is not allowed.

To request permission to incur costs on general administration activities prior to receiving an executed contract, please submit a formal written request to my attention. However, please be advised that no funds CDBG or otherwise can be spent on the actual activity until NEPA process is completed and written approval received by the Department.

I believe this covers the information requested. Please feel free to contact me if you have questions or need assistance.

Thank you.

Sincerely,

*Joann Gonzales*

Community Development Representative  
Community and Economic Development Section  
(916) 323-1454 Telephone  
(916) 319-8488 Fax  
jgonzales@hcd.ca.gov

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For the scores highlighted in red, the scores listed in the table below are based on whether the document provided for the new site is comparable to the current application.

Table 1 lists the scores for the proposed project for each of the metrics and criteria.

Table 1: Comparison of Proposed Project to Current Application

[Click here to view the table.](#)

In regard to utilizing CDBG funds to pay lease payments for the new (proposed) building, the fact that the activity in your application is eligible for funding is not a consideration. The fact that the activity in your project is eligible for funding is not a consideration. The fact that the activity in your project is eligible for funding is not a consideration.

If you are interested in providing information to our office on a project that is not currently in our database, please contact a project manager at the address below. If you are interested in providing information to our office on a project that is not currently in our database, please contact a project manager at the address below.

If you have any questions or need assistance, please contact the project manager at the address below.

Thank you,

[Signature]

[Name]

Community Development Department  
City of [City Name]  
[Address]  
[Phone Number]  
[Email Address]

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