



Legislation Text

File #: 12-1484, **Version:** 3

HEARING - Community Development Agency, Long Range Planning Division, Housing, Community and Economic Development Program recommending the Board consider the following:

- 1) Conduct a Public Hearing to consider adopting and authorizing the Chair to sign Resolution **141-2016** revising the El Dorado County Community Development Block Grant Program Income Reuse Plan governing a Program Income revolving loan fund in accordance with the federal Community Development Block Grant regulations governing Community Development Block Grant-assisted activities; and
- 2) Authorize the Community Development Agency Director, or designee, to sign the revised Community Development Block Grant Program Income Reuse Plan for submittal to the California Department of Housing and Community Development and administer the Plan on behalf of the County. (Est. Time: 10 Min.)

FUNDING: Community Development Block Grant Funds. (Federal Funds)

DEPARTMENT RECOMMENDATION

Community Development Agency, Long Range Planning Division, Housing, Community and Economic Development Program (HCED) recommending the Board consider the following:

- 1) Conduct a Public Hearing to consider adoption of Resolution **141-2016** revising the El Dorado County Community Development Block Grant (CDBG) Program Income Reuse Plan governing a Program Income revolving loan fund in accordance with the federal CDBG regulations governing CDBG-assisted activities; and
- 2) Authorize the Community Development Agency Director, or designee, to sign the revised CDBG Program Income Reuse Plan for submittal to the State Department of Housing and Community Development and administer the Plan on behalf of the County.

DISCUSSION/BACKGROUND:

In accordance with federal regulatory requirements, there are specific rules and requirements associated with the management and use of program income proceeds received by the County from various CDBG activities. "Program income" is defined as gross income received by a state, a unit of general local government, or a sub grantee of the unit of general local government that was generated from the use of CDBG funds.

HCED has received various CDBG grants on behalf of the County for activities including Housing Rehabilitation, Housing Acquisition and Business Expansion and Retention loans to improve housing and employment conditions among eligible low-income residents of the County. As loans are repaid to the County, funds may be available as a revolving loan fund to assist other eligible households when a Program Income Reuse Plan is in place.

The County's current Program Income Reuse Plan, revised in April 2014, contains guidelines for the administration and utilization of program income received as a result of activities funded under the CDBG Program. The Program Income Reuse Plan reflects specific allowable uses for CDBG program income.

A revised Plan is necessary to support the County's housing and economic development goals and ensures ongoing compliance with changes to statutes and regulations pursuant to the Code of Federal Regulations Section 570.489 (e)(1) (CDBG Final Rule 2012).

REASON FOR RECOMMENDATION:

The County received a 2013 grant from the CDBG Program for housing and economic development activities that will expire on September 30, 2016. CDBG rescinded all Program Income Reuse Plans adopted prior to July 2014 per California Department of Housing and Community Development (CHCD) CDBG Management Memorandum 14-05 attached to this item. The County must have an approved Program Income Reuse Plan in place upon expiration of the grant in order to utilize program income as a revolving loan fund for eligible CDBG activities. The CDBG Program requires the approval of the Plan to take the form of a Resolution, following a public hearing.

ALTERNATIVES

The Board may decline to approve the Resolution approving a revised Program Income Reuse Plan and return all funds to the State.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel, Risk Management, and California Department of Housing and Community Development.

CAO RECOMMENDATION

Chief Administrative Office concurs with staff's recommendations.

FINANCIAL IMPACT

There is no change to Net County Cost. Approval of the proposed plan will enable the County to make use of any program income for additional loans or other eligible CDBG activities.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Clerk to obtain the Chair's signature on Resolution **XXX-2016** and provide HCED staff with two (2) certified copies of the Resolution.

STRATEGIC PLAN COMPONENT

Economic Development/Housing

CONTACT

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