



Legislation Text

File #: 10-0595, **Version:** 2

HEARING - Chief Administrative Office and Health and Human Services Agency, Community Services Division, recommending the Board conduct a public hearing to:

- 1) Receive and accept the close out of the Housing Rehabilitation Loan Program grant and Public Improvements in Support of New Housing Construction grant conducted under 2010-2011 Community Development Block Grant, General Allocation Standard Agreement 10-STBG-6711; and
- 2) Authorize staff to submit close-out documents to the State of California Department of Housing and Community Development to satisfy grant requirements. (Est. Time: 15 Min.)

FUNDING: Federal CDBG Grant Funds and County General Fund.

Fiscal Impact/Change to Net County Cost

No change. Federal Community Development Block Grant General Allocation funds were awarded in an amount up to \$800,000, with required County matching funds in an amount up to \$7,500 from the Agency's General Fund, approved by Resolution 075-2010.

Background

Following a public hearing on June 15, 2010 (Legistar File 10-0595, Agenda item number 19), the Board of Supervisors adopted Resolution 075-2010 authorizing the Director of Human Services, or successor, to submit an application for a Community Development Block Grant (CDBG) General Allocation grant to continue to provide the activities of the Housing Rehabilitation Loan Program and for off-site improvements in support of the Mercy Housing California Sunset Lane Apartments affordable multi-family housing new construction project in Shingle Springs. An \$800,000 grant was awarded on October 18, 2010, and the grant agreement was executed on March 15, 2011.

Effective July 1, 2013, the Board of Supervisors approved the transfer of the Housing, Community and Economic Development (HCED) Program administration to the Chief Administrative Office. HCED Programs were formerly administered under Health and Human Services Agency (HHS), Community Services Division. The transfer of grant-related fiscal responsibilities from HHS to the CAO is in progress. However, the Board Resolution approved for the CDBG grant application authorizes the Director of Human Services, or successor, to execute documents related to this CDBG grant.

Housing Rehabilitation Programs

HCED provides home repair loans to eligible low-income homeowners in the unincorporated county through the County's Housing Rehabilitation Loan Program. The County's revolving loan fund program was established in 1994 through a California State Department of Housing and Community Development (HCD) CDBG award approved for submittal on April 5, 1994, by Board of Supervisors Resolution #86-94. The grant award provided for Housing Rehabilitation loans targeted to income-eligible households earning no more than 80% of the area median income based on household size. Through subsequent CDBG and HOME grant awards, the County has continued to provide loans to eligible low-income households on the Program's wait list. Since 1994, the Program has provided seventy (70) low-income homeowners with over \$1.9 million in housing rehabilitation loans to make

health and safety repairs to their residences. As the loans are repaid, the funds are deposited into a revolving loan fund and are then made available as loans to new income-eligible applicants, as required by the State- and County-approved Program Income Reuse Plan.

The continuation of the Housing Rehabilitation Loan Program assists the County in meeting the goals identified in General Plan Housing Element Measure HO-29 to “continue to make rehabilitation loans to qualifying very low and low income households”; HO-21 to “work with property owners to preserve the existing housing stock”; and Measure HO-18 to “apply for funds in support of housing rehab and weatherization programs for low-income households.”

Public Improvements in Support of Affordable Housing New Construction

The County has supported the development of affordable housing projects since 1998, initially through a HOME Investment Partnerships grant award approved for submittal on October 27, 1998, by Board of Supervisors Resolution 265-98. The grant award was applied for on behalf of Mercy Housing California for the Diamond Sunrise II affordable housing project. Through subsequent HOME grant awards and CalHFA loans, the County has continued to support the development of affordable housing in the unincorporated areas of El Dorado County. Diamond Sunrise II, completed in 2002, is located in Diamond Springs and provides 16 units of affordable senior housing. The White Rock Village Apartments project, located in El Dorado Hills, completed in 2005, provides 168 units of affordable workforce housing. The Sunset Lane Apartments project by Mercy Housing California provides 40 units of affordable workforce housing in Shingle Springs. These projects provide for a 55-year period of affordability.

Supporting affordable housing developers through CDBG and HOME grant applications and CalHFA loans assists the County in meeting General Plan Housing Element goals, including Policy HO-1.6 to “encourage new or substantially rehabilitated discretionary residential developments to provide for housing that is affordable to low, very low, and moderate income households,” and Policy HO-1.10 to “apply for funds from the state and federal government such as the Community Development Block Grant (CDBG), Home Investment Partnerships Program, and AB 2034 programs, and explore additional ways such funds may be used countywide to support construction of affordable housing.”

The County provided the CDBG grant funds to Mercy Housing for the Sunset Lane infrastructure project as a deferred payment loan secured by Deed of Trust to be forgiven when the loan term is complete. An Agreement with Mercy Housing California was developed and executed, with approval of County Counsel and Risk Management.

Reason for Recommendation

The Housing Rehabilitation Loan Program and Public Improvement in Support of New Housing Construction activities funded by the CDBG grant 10-STBG-6711 have been completed. The State Department of Housing and Community Development (HCD) requires that the Board of Supervisors, as the governing board, conduct a public hearing to advise the public of grant accomplishments and to close out the grant.

Action(s) to be taken following Board approval

Following Board acceptance of the 10-STBG-6711 grant close out, Chief Administrative Office and Health and Human Services staff will submit the required documents to HCD within 90-days of the grant expiration date of June 30, 2013.

Contact

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Concurrences

N/A