



**CONTRA COSTA COUNTY
DEPARTMENT OF CONSERVATION AND
DEVELOPMENT**

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MEMORANDUM

DATE: April 13, 2015

TO: Internal Operations Committee
Supervisor Karen Mitchoff, Chair
Supervisor John Gioia, Member

FROM: Bob Calkins, CDBG Program Manager
By: Gabriel Lemus

SUBJECT: Staff Recommendations for FY 2015/16 & FY 2016/17
CDBG Infrastructure/Public Facilities and Economic Development Categories

BACKGROUND

Six applications in the CDBG Economic Development (ED) category and nine applications in the Infrastructure/Public Facilities (IPF) category were submitted by the December 15, 2014 deadline.

Available Funding: The County's FY 2015/16 CDBG grant amount is \$2,996,848, which approximately \$20,000 more than the County received this year. Over the last two years, the County's CDBG entitlement allocation has been relatively flat, with no significant increases or decreases to the total entitlement allocation.

On November 4, 2014, the Board of Supervisors (Board) adopted new funding guidelines for the allocation of CDBG funds that require the County's annual grant be allocated to the following CDBG eligible categories:

Category of Use	Previous Guidelines CDBG Program	New Guidelines CDBG Program	Available Funding
Affordable Housing	45.1%	45%	\$1,348,582
Public Services	15%	*17%	\$ 449,527
Economic Development	14%	10%	\$ 299,685
Infrastructure/Public Facility	3.9%	8%	\$ 239,748
Contingency	2%	N/A	N/A
Administration	20%	20%	\$ 599,370
Total FY 2015/16 CDBG Grant			\$2,996,848

*As long as the amount does not go over HUD's statutory cap for Public Services

The new funding guidelines were derived as a result of the FY 2015/2020 Consolidated Plan participation process, which included a survey of needs completed by many County residents and representatives of public and private/non-profit agencies. Consultations with various County/City departments and non-profit agencies also took place as part of the Consolidated Plan participation process. The survey results and consultations indicated that there was a need to increase the Infrastructure/Public Facilities category. Many of the infrastructure needs of various communities within the County are due to the age of the infrastructure and are typically within lower-income communities. With the demise of Redevelopment, the opportunities for cities to rehabilitate and improve their infrastructure and public facilities are much more limited. In addition, many non-profit agencies that serve low-income residents are in need of funding to rehabilitate their facilities to provide much more efficient and effective services.

The CDBG Consolidated Plan operates under a five-year period. In October 2013, the Board approved having two separate and distinct funding cycles for the non-housing categories of the CDBG Program to align with the five-year period of the Consolidated Plan. The first cycle is a two-year funding cycle for programs/projects in the CDBG public service, economic development, and infrastructure/public facilities categories. The second cycle is a three-year funding cycle to conclude the final three years of a five-year Consolidated Plan period.

Infrastructure and Public Facility Category: Nine applications were received by the application deadline requesting a total of \$332,653. Staff recommends six projects to be funded for FY 2015/16 and three projects to be funded for FY 2016/17 at the amounts indicated on Attachment A. Consequently, there is \$23,723 unallocated in the IPF category to fund projects in other categories for FY 2015/16. Staff recommends allocating all \$23,723 to projects in the Public Services category for FY 2015/16. This will ensure that all of the available CDBG funds are allocated to eligible projects carried out during FY 2015/16.

Although CDBG staff is recommending three projects for FY 2016/17, staff recommends issuing a Request for Proposal (RFP) later this year for IPF projects to be carried out in FY 2016/17 provided the County receives CDBG funds in FY 2016/17.

Economic Development Category: Consistent with Board of Supervisor funding guidelines, a total of \$299,304 (10 percent of the County's grant amount) is available for ED projects. In addition, there is \$5,951 available to be recaptured from completed/closed ED projects. Therefore, a total of **\$305,636** is

available for eligible ED projects in FY 2015/16. Staff recommends allocating the amounts indicated in Attachment B to ED projects.

Application Process and Evaluation Criteria: Each applicant was required to submit an application describing the proposed project, need and target population, steps necessary to carry out the project, and proposed budget. Applications are reviewed by staff for completeness and eligibility and against criteria listed below. Applicants are also interviewed by staff to respond to or clarify any issues related to the application. Below are the general criteria used by staff in evaluating applications:

Intended purpose (outcome) - The quantitative and qualitative goals of the project are achievable, measurable and result in a desirable outcome.

Consistency with Priorities Established in the Consolidated Plan and County Policy – The project meets goals and strategies of the Consolidated Plan. Secondly, the project meets goals of other plans such as Redevelopment Agency Plans, Capital Improvement Plans, community planning documents, etc.

Eligibility in Respect to Federal Regulation – The proposed use of CDBG funds is consistent with federal regulations and is determined to be an eligible activity. The project meets one of the following three national objectives: benefit to very-low and low-income persons, preventing blight, or emergency need.

Target Population and Demonstrated Need – The project fulfills a well-defined need and has supporting documentation that the need exists. The proposed project is responsive to the community and the target population, and shows a relationship between the need and the action to be taken. The target population or area is clearly defined, the project is accessible and outreach is effective.

Financial Analysis - Total project costs are reasonable, and are adequate to carry out the project through the specified time period. The budget is well thought out with reasonable assumptions for completing the project with federal funding. A reasonable relationship exists between the cost of the project and the expected outcome. Sponsor has the capacity to secure all funds necessary to carry out the project within normal standards. Volunteer or in-kind services are attainable and realistic. The project cost is within normal range of similar projects. Projects are required to supply matching funds in order to maximize the use of CDBG funds. Audits or other financial statements demonstrate success in securing funds through grant proposals or other fund raising efforts.

Experience and Capacity to Carry out the Project – Components of the project are fully described and goals and objectives are attainable. The project sponsor has demonstrated the ability to successfully carry out the proposed project including providing a project manager, construction manager and/or qualified licensed contractor. The applicant demonstrates that capacity exists to complete the project and meet all the federal requirements of the CDBG program.

Project Readiness and Timeliness – All components of the project are in place or can be in place within a specified period of time. Project can be implemented and completed in a timely manner. Particular attention is given to these criteria due to specific HUD timeliness requirements.

Past Performance - Rate of progress toward completing contractual goals, ability to overcome and avoid

past problems. Inaccurate or incomplete performance reports, unresolved audit findings, delays in or failure to submit required reports, persistent difficulties with payment request process, failure to correct significant problems.

Environmental, Historic Preservation, Relocation, and/or Prevailing Wage Issues – Identification of federal requirements that may be imposed on the project that require specific action to be taken.

Clarity and completeness of application - The application submitted was complete and lacked inaccuracies and ambiguities.

Public Hearing and Transmittal of Recommendations: The Committee's recommendations will be forwarded to the full Board of Supervisors prior to the public hearing that is scheduled for May 5, 2015. Final recommendations must be forwarded to the Department of Housing and Urban Development by May 15, 2015 for review to ensure consistency with federal regulation.

Attachments

cc: John Kopchik, Conservation and Development Director