



**CONTRA COSTA COUNTY
DEPARTMENT OF CONSERVATION AND
DEVELOPMENT
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MEMORANDUM

DATE: February 25, 2019

TO: Finance Committee
Supervisor Karen Mitchoff, Chairperson
Supervisor John Gioia, Member

FROM: Gabriel Lemus, CDBG Program Manager

SUBJECT: Staff recommendations on allocating Community Development Block Grant (CDBG) funds to RYSE, Inc. for the acquisition of real property, and an additional allocation to Pogo Park for improvements at Harbour-8 Park.

RECOMMENDATION

1. **APPROVE** staff's recommendation to allocate \$382,500 of FY 2018/19 Community Development Block Grant (CDBG) funds to RYSE, Inc. for the acquisition of real property (two parcels) located at 4006 Macdonald Ave. in the City of Richmond (APN 517-320-025 and APN 517-320-005).
2. **APPROVE** staff's recommendation to allocate up to \$115,000 of FY 2018/19 Community Development Block Grant (CDBG) funds to Pogo Park for the construction of a mini playfield and associated amenities at Harbour-8 Park located in the City of Richmond.
3. **DIRECT** Conservation and Development staff to prepare staff reports on the Committee recommendation(s), to be considered by the Board of Supervisors on March 19, 2019.

BACKGROUND

On June 26, 2018, the Board approved the Contra Costa County Action Plan for the use of FY 2018/19 CDBG funds. As part of that Action Plan, there was approximately \$1,032,372 in unallocated CDBG funds for potential eligible, viable, and “shovel-ready” projects that may apply for project completion during the program year. That amount was based on projected program income that is received periodically throughout the program year. However, the amount of projected program income for FY 2018/19 is approximately \$1.1 million higher than most years due to a payoff of a previous CDBG housing loan.

The CDBG program income is considered by the U.S. Department of Housing and Urban Development (HUD) as part of the County’s available CDBG resources for FY 2018/19, but also is counted towards HUD’s expenditure requirements for the CDBG Program. In order to meet HUD’s expenditure requirements, some of the CDBG program income must be allocated and distributed to eligible and timely projects. Staff has received two requests for CDBG funds for two eligible and “shovel ready” projects that can be completed in a timely manner that would meet HUD’s expenditure requirements.

RYSE, Inc. – Acquisition of Real Property (Two Parcels)

On December 12, 2018, CDBG staff received an application from RYSE, Inc. (RYSE) for FY 2019/20 CDBG funds for the acquisition of two parcels that are contiguous and/or adjacent to its current property and youth/community center facility located at 205 41st Street, Richmond.

The proposed acquisition of the two parcels will allow RYSE to acquire real property located contiguous and/or adjacent to their current property and youth/community center located at 205 41st Street, in the City of Richmond. RYSE serves low-income youth in west Contra Costa County ages 13 to 21 including youth who are in and out of school, college bound, homeless, LGBT, and some who have been incarcerated. The acquisition of the property will allow RYSE to not only continue the full operations of the youth center, but will expand their facility parking, and will house RYSE’s administrative activities, and possibly host some of RYSE’s programming to add and/or enhance services provided to the youth in the City of Richmond. The County and RYSE have agreed on a negotiated price of \$425,000 for the acquisition of the two parcels. The agreed upon acquisition price is the combined market rate for the two parcels. If awarded the full recommendation of CDBG funds, RYSE will use funds from an award by the Hewlett Foundation that was previously committed to RYSE to make up the difference of the agreed upon acquisition price.

The proposed acquisition project is consistent with the County’s CDBG Consolidated Plan priority of maintaining quality public facilities and adequate infrastructure, and ensure access for the mobility-impaired by addressing physical access barriers to public facilities. Furthermore, the proposed acquisition is an eligible activity in accordance with federal regulations for the CDBG program [24CFR 570.201 (a) and 570.201 (c)]. In order to maintain eligibility, the facility must continue to operate to serve low-income youth for at least five years. If the facility ceases to operate during that timeframe, the CDBG funds must be returned

to the County based on the current Fair Market Value of the property at that time, less any portion of the value attributable to non-CDBG funds.

All projects are subject to review under the National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA). Both the NEPA and CEQA reviews are in process of being completed and the project is expected to be converted to an exempt project. The project is not subject to Davis-Bacon federal prevailing wages because the CDBG funds will solely be used for acquisition of real property.

Pogo Park – Allocation of additional CDBG funds for Harbour-8 Park Mini Playfield Project

On May 10, 2016, the Board of Supervisors approved the Contra Costa County CDBG Action Plan for the use of FY 2016/17 CDBG funds. Under the Infrastructure/Public Facilities (IPF) category, Pogo Park was allocated \$220,210 of CDBG funds to construct a mini playfield and associated amenities (benches, lighting, landscaping) at Harbour-8 Park located in the Iron Triangle neighborhood within the City of Richmond. Experienced cost estimators using actual construction costs of similar projects during that time put the original budget together. After a couple of years preparing the design and landscape architectural plans, Pogo Park put the project out to bid in early January 2019, with bids due on January 31, 2019. Pogo Park received one bid for the project; however, due to the current high demand for construction, the bid was approximately \$115,000 higher than the original budget for the project. Consequently, Pogo Park is requesting \$115,000 in additional CDBG funds to fill the budget gap.

This project was previously found consistent the County's CDBG Consolidated Plan and eligible per the CDBG regulations. An environmental review under NEPA was previously completed on the project and the project converted to an exempt project.

Recommendations: Due to the nature of the RYSE project (acquisition) and due to County's CDBG program having sufficient program income on hand, staff is recommending this project as part of the FY 2018/19 Action Plan. Staff recommends that \$382,500 in FY 2018/19 CDBG funds be allocated to RYSE, Inc. for the acquisition of real property (two parcels) located at 4006 Macdonald Ave. in the City of Richmond (APN 517-320-025 and APN 517-320-005). Furthermore, the additional allocation counts towards the expenditure requirement established by HUD.

County CDBG staff also recommends allocating additional CDBG funds of up to \$115,000 of CDBG funds to Pogo Park for the construction of a mini playfield and associated amenities at Harbour-8 Park located in the City of Richmond. The additional funds would allow the project to commence construction and be completed in a timely manner.

Public Hearing and Transmittal of Recommendations: The Committee recommendations will be forwarded to the full Board of Supervisors prior to the public hearing that is scheduled for March 19, 2019.

cc: John Kopchik, Director – Department of Conservation and Development