



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: December 8, 2015

Subject: Inclusion of the City of Richmond in the Community Development Block Grant Urban County and HOME Investment Partnerships Act Consortium

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute a Cooperation Agreement for the Community Development Block Grant (CDBG) Urban County and HOME Investment Partnerships Act (HOME) Consortium between the County and the City of Richmond for fiscal years 2016\17 and 2017/18, with an option to renew for subsequent three-year terms, through which the County will administer CDBG and HOME funds previously granted to the City of Richmond.

FISCAL IMPACT:

No impact to the General Fund. CDBG and HOME funds are allocated by U.S. Department of Housing and Urban Development. Increased County administration costs will be covered by the additional grant allocation. CDBG CFDA# 14.218 and HOME CFDA # 14.239

BACKGROUND:

On November 12, 2015, the City of Richmond (City) formally requested that Contra Costa County (County) staff work with City staff to carry out the necessary steps to fully integrate the City into the Contra Costa Urban County for the Community Development Block Grant (CDBG) and the HOME Consortium for the HOME Investment Partnerships Act (HOME)

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **12/08/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Mary N. Piepho, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 8, 2015

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Kara Douglas
925-674-7880

cc:

programs. (See attached letter.) Both the County and City receive CDBG and HOME funds from the U.S. Department of Housing and Urban Development (HUD). The County is a CDBG Urban County, meaning that the County receives and awards grant funds allocated on a formula basis to the County unincorporated area and all cities except for Antioch, Concord, Pittsburg, Richmond, and Walnut Creek. The County serves a similar role as the administrative entity for the HOME Consortium (the Urban County and cities of Antioch, Concord,

BACKGROUND: (CONT'D)

Pittsburg and Walnut Creek).

The City is a separate entitlement jurisdiction for both CDBG and HOME. The City is making this request due to major staff reductions in the City's housing and community development programs, which have affected the City's capacity to administer its CDBG and HOME programs. The staff reductions are primarily due to the dissolution of the City's Redevelopment Agency, which included the CDBG and HOME staff. City staff have consulted with HUD and HUD is supportive of this request. To join the Urban County, the City will relinquish its CDBG entitlement status and enter into the attached Cooperation Agreement with the County. The City will be a member of the Urban County effective July 1, 2016 for the CDBG program and July 1, 2017 for the HOME program.

The City will continue to administer any CDBG and HOME funds under its control for fiscal years up to and including 2015/16. The City will have full responsibility to repay its two outstanding Section 108 loans, and for correcting any HUD audit or monitoring findings related to its actions in administering HUD funds.

If the Board approves execution of the Cooperation Agreement, then the City of Richmond will be a member of the Urban County and HOME Consortium with the same status as other city members. The future share of Richmond CDBG and HOME allocations will be added to the Urban County CDBG and HOME Consortium allocations, which are currently \$2,996,848 and \$1,792,838 respectively. In 2015, Richmond's CDBG grant is \$1,072,642 and the HOME grant is \$389,071. It is difficult to predict future allocations due to the trend of significant decreases in CDBG and HOME program budgets over the past six years.

The City will be included in the 2015-2020 CDBG/HOME Consolidated Plan, which calls for the following distribution of CDBG funds: 20 percent for administration, 45 percent for housing, 15 percent for public services, 10 percent for economic development, 8 percent for infrastructure/public facilities, and 2 percent is discretionary (typically public service). HOME funds are divided between program administration (10 percent) and development activities (90 percent). There is a public participation process every fall when applications for the next fiscal year are released. As part of this process, the County will outreach to City staff, interested Richmond residents and community-based organizations to gather their input concerning funding priorities and to solicit applications for CDBG and HOME funds, just as currently occurs for other member cities. County staff will review all applications for eligibility and agency capacity and make funding recommendations to Board of Supervisors, or Board-appointed committees. The committee recommendations are then forwarded to the Board of Supervisors for final funding decisions. The County strives for geographic equity based on the needs of low income communities. The programs generally achieve geographic balance over time, but not necessarily on an annual basis. There is no

guarantee of a return-to-source distribution of funds. The November 12 letter from the City makes clear that the City understands this. County staff recognizes that a number of non-profit agencies are providing much needed services to Richmond residents, and the value of program continuity will be an important consideration in future staff recommendations.

CONSEQUENCE OF NEGATIVE ACTION:

If Richmond does not join the CDBG Urban County and the HOME Consortium, the Richmond allocation of CDBG and HOME funds may be retained by HUD and not be available to programs and projects for the benefit of low income Richmond residents.

CHILDREN'S IMPACT STATEMENT:

The CDBG and HOME programs provide affordable housing to families, which supports several of the Children Report Card indicators.

ATTACHMENTS

Nov 12, 2015 letter from the City of Richmond
Urban County Cooperation Agreement