



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: July 18, 2017

Subject: Allocation of FY 2017/18 CDBG and ESG Funds and Approval of 2017/18 Action Plan and Analysis of Impediments to Fair Housing Choice

RECOMMENDATION(S):

1. FIND that the FY 2017/18 Action Plan and the Analysis of Impediments to Fair Housing Choice are exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA guidelines;
2. APPROVE the Family and Human Services Committee recommendations for the allocation of \$780,875 in FY 2017/18 Community Development Block Grant (CDBG) funds in the Public Service category (Attachment A-1) and \$249,543 in Emergency Solutions Grant (ESG) funds (Attachment A-2);
3. APPROVE the Finance Committee recommendations for the allocation of \$409,792 in FY 2017/18 CDBG funds in the Economic Development category (Attachment B-1); and the allocation of \$323,994 in FY 2017/18 CDBG funds in the Infrastructure/Public Facilities category (Attachment B-2);
4. APPROVE revisions to the Affordable Housing Finance Committee recommendations and allocate \$2,495,000 in CDBG funds in the Housing category and \$2,640,000 in HOME funds (Attachment C);
5. APPROVE staff's recommendation for the allocation of \$232,681 in FY 2017/18 Housing Opportunities for Persons With HIV/AIDS (HOPWA) funds for Community Development for the St. Paul's Commons Project;

☒ APPROVE

☐ OTHER

☐ RECOMMENDATION OF CNTY
ADMINISTRATOR

☒ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **07/18/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, 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: July 18, 2017

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

By: June McHuen, Deputy

Contact: Gabriel Lemus,
925-674-7882

cc:

6. ADOPT and APPROVE the FY 2017/18 Action Plan (Attachment D);
7. ADOPT and APPROVE the Analysis of Impediments to Fair Housing Choice (Attachment E);
8. APPROVE the revised Citizen Participation Plan (CPP) (Attachment F);
9. DIRECT the Department of Conservation and Development (DCD) Director to file a Notice of Exemption for

RECOMMENDATION(S): (CONT'D)

the FY 2017/18 Action Plan and the Analysis of Impediments to Fair Housing Choice with the County Clerk;

10. AUTHORIZE the DCD Director, or designee, to execute the program certifications and applications (HDSF-424's) for transmittal to the U.S. Department of Housing and Urban Development (HUD); and

11. AUTHORIZE the DCD Director, or designee, to execute the CDBG and ESG program agreements as approved in the FY 2017/18 Action Plan by the Board of Supervisors.

FISCAL IMPACT:

There is no General Fund impact. All funds are provided to Contra Costa County (County) on a formula basis through the U.S. Department of Housing and Urban Development (HUD).

Catalog of Federal Domestic Assistance Numbers:

- Community Development Block Grant (CDBG) Program - 14.218
- HOME Investment Partnerships Act (HOME) Program - 14.239
- Emergency Solutions Grant (ESG) Program - 14.231
- Housing Opportunities for Persons with AIDS (HOPWA) Program - 14.241

BACKGROUND:

The CDBG Program will be entering its forty-third year. The primary objective of the CDBG program is the development of viable urban communities through the provision of decent housing, a suitable living environment, and economic opportunity. CDBG funds are allocated annually to eligible entitlement jurisdictions by HUD on a formula basis. The County's DCD administers CDBG funds on behalf of the "Urban County". The Urban County includes the unincorporated County and all cities except Antioch, Concord, Pittsburg, and Walnut Creek. Those cities administer independent CDBG programs.

The purpose of the HOME Program is to increase and maintain the supply of affordable housing for lower income households. Funds are allocated to eligible participating jurisdictions and HOME consortia on a formula basis by HUD. The Contra Costa Consortium (Consortium) consists of the unincorporated County and all cities. As the Consortium representative, the County is responsible for administration and management of the HOME program for the Consortium.

The County receives ESG funds on an entitlement basis for use in funding renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless; provision of essential services for the homeless; emergency shelter operations and related services; and homelessness prevention and rapid re-housing activities. The County administers ESG funds on behalf of the Urban County.

The County also receives HOPWA funds, as a sub-grantee of the City of Oakland, to provide localities with resources and incentives to devise long term strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. The County administers HOPWA funds on behalf of the Consortium. Staff is recommending \$232,681 in FY 2017/18 HOPWA funds to Resources for Community Development for the development of the St. Paul's Commons project (Attachment C).

FY 2017/18 Action Plan

The Action Plan describes the projects and programs the County will undertake during the program year to address priority needs identified in the Contra Costa County FY 2015-2020 Consolidated Plan, and identifies the use of grant funds and program income received during the program year by activity, and proposed accomplishments. Typically, the Action Plan must be approved by the Board of Supervisors and submitted to HUD by May 15th. However, due to the delay in the Federal FY 2017 Budget, the FY 2017 Action Plan is due by August 16, 2017.

On November 4, 2014, the Board of Supervisors (Board) amended its funding guidelines, originally adopted in 1993 and revised in 2006, for use of CDBG funds as follows: Housing - 45 percent; Public Services - 17 percent; Economic Development - 10 percent; Infrastructure/Public Facilities - 8 percent; and Program Administration - 20 percent. Funding recommendations are made by the following Committees:

- Family and Human Services Committee – CDBG Public Service (PS) and ESG categories
- Finance Committee – CDBG Economic Development (ED) and Infrastructure/Public Facilities (IPF) categories
- Affordable Housing Finance Committee – HOME and CDBG-Housing category

Finance Committee: The Finance Committee met on March 27, 2017, to consider staff funding recommendations for ED and IPF projects. The meeting was noticed and project applicants were encouraged to attend and provide input into the allocation process. Approximately 10 persons representing various agencies attended the meeting. After discussion, the Finance Committee approved the recommendations as listed in Attachments B-1 and B-2.

Family and Human Services (FHS) Committee: The FHS Committee met on April 24, 2017, to consider staff recommendations for FY 2017/18 PS and ESG projects. The meeting was noticed and project applicants were encouraged to attend and provide input into the allocation process. Approximately 17 persons representing various agencies attended the meeting. After discussion, the FHS Committee approved staff

recommendations as shown in Attachment A-1.

On June 26, 2017, the FHS Committee met to consider staff's revised recommendations for FY 2017/18 ESG projects. The revised recommendations reflected HUD's final FY 2017/18 ESG allocation, which is larger than originally estimated. After brief discussion, the FHS Committee approved staff's revised recommendations as shown in Attachment A-2.

Affordable Housing Finance Committee (AHFC): The AHFC is a Board-appointed advisory committee that develops funding recommendations for the Board concerning the allocation of federal funds for affordable housing development. The AHFC met on January 30, 2017, to consider staff funding recommendations for CDBG-housing and HOME projects. Members of the public, including project sponsors, were invited to attend and provide input into the allocation process. Following discussion and comment on each project, the AHFC developed recommendations for the allocation of CDBG and HOME funds for affordable housing programs and projects (Attachment C). Because several applicants for CDBG/HOME funds needed to submit their applications for nine-percent low-income housing tax credits by March 1, 2017, the AHFC's funding recommendations were approved by the Board on February 14, 2017. The funding recommendations were based on estimated CDBG and HOME allocations. The County received its actual FY 2017/18 allocations from HUD on June 14, 2017 and the HOME allocation was \$400,000 more than the estimated amount. Because of the short timeline to get the Action Plan to the Board of Supervisors, and meet the HUD submission deadline, there was not time to re-convene the AHFC to seek its recommendation of the additional HOME funds. However, the committee had considered additional HOME funds for the St Paul's project and Pinecrest/Terrace Glen projects to increase their competitiveness for low income housing tax credits. Attachment C is revised from the original AHFC recommendation to add the additional \$400,000 in HOME funds to the St Paul's project and Pinecrest/Terrace Glen projects.

Analysis of Impediments to Fair Housing Choice

To receive federal funds, the Consortium must periodically submit an Analysis of Impediments to Fair Housing Choice to HUD. The Analysis of Impediments to Fair Housing Choice (Attachment E) constitutes the Consortium's effort to identify impediments to fair housing. It also provides recommended actions to overcome the effects of identified impediments. Through the annual planning process, each annual Action Plan will incorporate specific actions to be undertaken during the fiscal year to remove impediments and to further fair housing choice.

In 2019, the Analysis of Impediments to Fair Housing Choice document will be replaced by the Assessment of Fair Housing document, per HUD's Affirmatively Furthering Fair Housing Final Rule that was completed and disseminated by HUD in July 2015. The Consortium has begun planning for the preparation of the Assessment of Fair Housing document to ensure completion by October 2019.

Citizen Participation Plan (CPP)

The CPP sets forth the County's policies and procedures for citizen participation for the use of funds from HUD funding programs that are allocated to the County and administered by the County's DCD, including the CDBG, HOME, HOPWA, and ESG programs. It also sets the policies and procedures for citizen participation in the development of HUD required documents, including the Five-Year Consolidated Plan, the annual Action Plan, the Consolidated Annual Performance and Evaluation Report (CAPER), and the Assessment of Fair Housing (replacing the Analysis of Impediments to Fair Housing Choice document in 2019). The CPP provides an opportunity for the community to work in partnership with the County to identify needs and to allocate the CDBG, HOME, HOPWA, and ESG funds. The CPP is revised periodically to reflect changes in programs and/or regulations. Following is a summary of the revisions in the attached CPP:

- The CPP is revised to incorporate a citizen participation process for the development of the Assessment of Fair Housing document, per the Affirmatively Furthering Fair Housing Final Rule;
- The Consolidated Plan, Action Plan, and CAPER citizen participation sections are revised to provide a more detailed process for citizen participation for the development of those documents;
- The DCD address/contact information is revised to reflect the most current address/contact information.

CONSEQUENCE OF NEGATIVE ACTION:

Delay in approving the recommendations by the Committees and the Action Plan may result in the County not submitting its application on time and jeopardize the County receiving its FY 2017/18 CDBG, HOME, and ESG funds.

CHILDREN'S IMPACT STATEMENT:

Most of the projects and programs funded with CDBG, HOME, and ESG funds address at least one of the five community outcomes established in the Children's Report Card.

ATTACHMENTS

- Attachment A-1 - FHS Public Services Recommendations
- Attachment A-2 - FHS ESG Recommendations
- Attachment B-1 - Finance Committee ED Recommendations
- Attachment B-2 - Finance Committee IPF Recommendations
- Attachment C- AHFC Recommendations
- Attachment D - Draft FY 2017-18 Action Plan
- Attachment E - Draft Analysis of Impediments to Fair Housing Choice
- Attachment F - Citizen Participation Plan