



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: October 17, 2017

Subject: Substantial Amendment to the County's FY 2017/18 CDBG Action Plan to Allocate Additional Funds in the IPF and Housing Categories

RECOMMENDATION(S):

APPROVE and AUTHORIZE a substantial amendment to the County's FY 2017/18 Community Development Block Grant (CDBG) Program Action Plan, to award \$888,516 to seven additional projects in the Infrastructure/Public Facilities Category, as recommended by the Finance Committee, and an additional \$61,900 to one project in the Housing Category.

FISCAL IMPACT:

There is no fiscal impact to the County General Fund, as the allocation is from CDBG Program Income. CDBG Program Income are funds returned or repaid to the County's CDBG Program from previously completed projects, which have to be used on eligible CDBG activities. The CDBG funds are provided to the County on a formula allocation basis through the U.S. Department of Housing and Urban Development (HUD).

Catalog of Federal Domestic Assistance #14.218.

BACKGROUND:

On July 18, 2017, the Board of Supervisors approved the Contra Costa County CDBG

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☒ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **10/17/2017** ☒ 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: October 17, 2017

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

By: June McHuen, Deputy

Contact: Gabriel Lemus,
925-674-7882

Annual Action Plan for FY 2017/18 CDBG funds, which included allocating \$323,994 to four projects in the Infrastructure/Public Facilities (IPF) category and \$2,455,000 to seven projects in the Housing category.

BACKGROUND: (CONT'D)

By the end of FY 2016/17, the County had accrued an unexpected amount of approximately \$1.0 million in CDBG Program Income from previously completed CDBG projects. 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 2017/18. The additional funds need to be allocated and distributed to eligible construction related projects in order to meet expenditure requirements established by HUD.

In order to meet the expenditure requirements, County CDBG staff issued a Request for Proposals (RFP) on June 8, 2017 for eligible projects in the IPF and Housing categories that can be substantially completed by March 31, 2018. Seven eligible, feasible, and timely applications in the IPF category and one in the Housing category were submitted by the August 14, 2017 deadline, requesting a total amount of \$950,416 in CDBG funds. The eight proposed projects are spread throughout the various regions of the County, with two in west County, three in central County, and three in east County.

Finance Committee Meeting: The Finance Committee met on September 25, 2017 to consider staff funding recommendations for the seven additional IPF projects. The meeting was noticed and project applicants were encouraged to attend. After discussion, the Finance Committee recommended to allocate an additional \$888,516 in CDBG funds to the seven additional projects in the IPF category. The amount recommended to each respective IPF project is listed in Attachment A.

The housing application is a request for an additional \$61,948 for the Elaine Null Apartments acquisition and rehabilitation project. The applicant, Resources for Community Development, previously applied for \$300,000 in FY 2016/17 CDBG funds. The Affordable Housing Finance Committee only recommended \$100,000 in CDBG funds because at that time there were not sufficient CDBG funds available for a larger allocation. This additional award of \$61,900 will be used for site acquisition. Tax-exempt bonds and low-income housing tax credits are the funding sources for the rehabilitation. The Board of Supervisors approved the original allocation on March 1, 2016, and the County legal documents for this project at its October 10, 2017 meeting. These additional funds will be added to those approved documents. The project is scheduled to close on the financing by October 30, 2017 with rehabilitation starting in November 2017.

CONSEQUENCE OF NEGATIVE ACTION:

If the Substantial Amendment to award the additional CDBG funds is not approved, the County may not be able to meet HUD's full expenditure requirements, which may jeopardize future allocations of CDBG funds to the County.

CHILDREN'S IMPACT STATEMENT:

Most of the projects funded with the additional CDBG funds address at least one of the five community outcomes established in the Children's Report Card.

ATTACHMENTS

Attachment A - Finance Committee Recommendations