



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: October 23, 2018

Subject: Discharge of Accountability for Neighborhood Preservation Program Unreconciled Accounts

RECOMMENDATION(S):

DISCHARGE the Conservation and Development Director of accountability for the collection of the Neighborhood Preservation Program (Community Development Block Grant funds) unreconciled loans receivable balance of \$73,160.69.

FISCAL IMPACT:

No General Fund impact. The loans are 100 percent federal Community Development Block Grant funds, Fund #1595 Account 2310.

BACKGROUND:

The Department of Conservation and Development administers the Neighborhood Preservation Program (NPP), which is a Community Development Block Grant (CDBG) funded activity. NPP provides low interest loans and grants to low-income households who own and occupy their homes. Funds are used to eliminate conditions that are detrimental to health and safety, and for repairs such as roofing, electrical, plumbing, mechanical, termite repair, lead-based paint mitigation, disability access, and other necessary deferred maintenance repairs. The program promotes the stabilization and enhancement of older neighborhoods in order to encourage a sense of pride in the neighborhood.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **10/23/2018** ☒ 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 23, 2018

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

By: June McHuen, Deputy

Contact: Kara Douglas
925-674-7880

cc:

BACKGROUND: (CONT'D)

The County has been making NPP loans and grants since 1978 using annual allocations of CDBG funds and from loan payments received from prior loans. The majority of loans are deferred for 15 years and are repaid upon sale or refinancing of the home. A few borrowers make monthly payments when the borrower can afford to do so. CDBG funds are granted to the County and do not require repayment. However, the County provides assistance to homeowners as loans and the loan repayments are deposited into a revolving loan fund to assist future homeowners.

In 2006, there was an unreconciled balance of \$195,570. DCD accountants researched all available records, which dated back to FY 1997/98, made adjustments, and reduced the unreconciled balance to \$73,160.69. It is not possible to identify which loans or properties are included and it is not possible to collect any outstanding balance. DCD NPP records otherwise agree with the general ledger. All NPP expenses are reimbursed by the NPP revolving loan fund or the CDBG program so there is no financial impact to the General Fund. [The unreconciled amount affects the County's Comprehensive Annual Financial Report (CAFR) by overstating NPP loan receivables; the recommended action will improve the accuracy of reporting loan receivable balances on the CAFR.]

CONSEQUENCE OF NEGATIVE ACTION:

If the unreconciled balance is not written off, then it will continue as an unreconciled receivable balance.