

STAFF REPORT

BOARD MEETING DATE: December 5, 2023

CATEGORY: Consent Calendar {{item.number}}

SUBJECT: Adopt a resolution which: (1) Authorizes an application for 2021-22 State Community Development Block Grant (Grant) funds; (2) repeals resolution 2023-002; and (3) designates authority to execute documents related to the implementation of Grant.

DEPARTMENT: Health and Human Services Agency-Economic Mobility

SUPERVISORIAL DISTRICT #: All

DEPARTMENT CONTACT: Dwayne Green, HHSA Branch Director, Economic Mobility (530) 225-5450

STAFF REPORT APPROVED BY: Dwayne Green, HHSA Branch Director

<u>Vote Required?</u>	<u>General Fund Impact?</u>
Simple Majority Vote	No Additional General Fund Impact

RECOMMENDATION

Adopt a resolution which: (1) Approves, authorizes, and directs the Health and Human Services Agency Director (Director) or their designee (Designee) to: (a) execute and deliver all applications for the 2021-22 State Community Development Block Grant (CDBG) funds and act on the County's behalf in all matters pertaining to all such applications; (b) expend the funds in a manner consistent and in compliance with the state Standard Agreement and all applicable state, federal and other statutes, rules, regulations, guidelines, and laws, including without limitation all rules and laws regarding the CDBG Program Income Agreement; (c) enter into, execute and deliver the state agreement (i.e., Standard Agreement) and any and all subsequent amendments thereto, including retroactive; (d) sign and submit Fund Requests and all required reporting forms and other documentation as may be required by the state, including retroactive; and (e) sign, submit, execute and deliver any and all CDBG Program Income Reuse Agreement forms, certifications, reports, agreement amendments, subcontracts agreements and amendments, including retroactive, that does not result in a substantial or functional change to the original intent of the state agreement and otherwise comply with Administrative Policy 6-101, *Shasta County Contracts Manual*; and (2) repeals Resolution No. 2023-002.

DISCUSSION

The proposed resolution is a state-required format with no allowed changes. The state has required an updated resolution which documents the consolidation of the Housing and Community Action Agency into the Health and Human Services Agency. This is the sole reason for today's recommendation.

The Community Development Block Grant (CDBG) program provides funding to rural cities and counties for various activities related to housing, economic development, and livable communities. Shasta County Health and Human Services Agency, Economic Mobility Branch, Housing and Community Action Agency division currently receives CDBG funding. CDBG Program Income (PI) refers to the gross income received by a jurisdiction that has been directly generated from the use of CDBG funds. Under CDBG guidelines, the County is permitted to retain PI for CDBG-eligible activities so long as a spending plan has been approved by the state. Examples of PI include: payments of principal and interest on housing rehabilitation or business loans made using CDBG funds; interest earned on program income pending its disposition, and interest earned on funds that have been placed in a revolving loan account; net proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds; income (net of costs that are incidental to the generation of the income) from the use or rental of real property that has been acquired, constructed or improved with CDBG funds and that is owned (in whole or in part) by the participating jurisdiction or subrecipient. Any program revenue, regardless of the amount, generated from a Revolving Loan Fund ("RFF") is considered PI.

Under the CDBG Program, there are specific rules and requirements that apply to the management and use of PI by local jurisdictions. Payments are deposited and accounted for in the County's appropriate Program and the County must submit reports

on these funds. Funds are to be used to fund new Owner-Occupied Rehabilitation Projects, pursuant to the County's state approved CDBG Program Income Reuse Plan ("Plan").

The California Department of Housing and Community Development (HCD) and state and federal regulations from the Department of Housing and Urban Development (HUD) require periodic updates to the County's Plan. The Plan is defined by a Program Income Reuse Agreement and governs how these PI funds are to be expended. CDBG funds are used by housing programs to rehabilitate housing and community facilities via low interest loans. The Program Income Reuse Agreement establishes policies and procedures for the administration and utilization of PI received from loans that are repaid back into the PI Reuse fund. The PI Reuse Agreement satisfies the requirements specified in Federal Statute and Regulation at Section 104(j) of the Housing and Community Development Act ("the Act"), as amended in 1992 and 24 CFR section 570.489 subdivisions (e) and (f).

ALTERNATIVES

The Board of Supervisors could decline to adopt the resolution approving the CDBG Program Income allocation. This would require Health and Human Services Agency to return existing CDBG Program Income funds to HCD and discontinue the Housing Rehabilitation Assistance Program. The Board could choose to revise some, or all of the signature authority designation proposed in today's resolution; therefore, necessitating more actions by the Board in the future.

OTHER AGENCY INVOLVEMENT

County Counsel has approved the resolution as to form. The Recommendation has been reviewed by the County Administrative Office.

FISCAL IMPACT

There is no additional General Fund impact associated with approval of the recommendation.

ATTACHMENTS:

- 1: Resolution
- 2: Attachment A - Ordinance No. SCC 2023-02
- 3: Resolution 2023-002