

STAFF REPORT

**BOARD MEETING DATE:** October 17, 2023

**CATEGORY:** Consent Calendar 11

**SUBJECT:** As required by the State for Community Development Block Grant – Coronavirus Response Rounds 2 and 3 funding (Grant), adopt a resolution which designates authority to submit the funding application, execute and deliver an agreement, and sign related award agreements, amendments, and documents, including retroactive, in connection with the Grant, acknowledges compliance with all state and federal public participation requirements, recognizes Ordinance No. SCC 2023-02, and repeals Resolution No. 2021-051.

**DEPARTMENT:** Health and Human Services Agency-Economic Mobility

**SUPERVISORIAL DISTRICT #:** All

**DEPARTMENT CONTACT:** Dwayne Green, Branch Director, 530-225-5450

**STAFF REPORT APPROVED BY:** Dwayne Green, HHSA Branch Director

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

Adopt a resolution which approves and authorizes the: (1) Housing Director to: (a) submit the Community Action Agency Community Development Block Grant – Coronavirus Response Rounds 2 and 3 (CDBG-CV 2-3) funding application to the state Housing and Community Development (HCD) in the amount of \$661,000, in CDBG-CV 2 and \$215,371, in CDBG-CV 3, not to exceed a total of \$876,371 to provide business assistance for past-due balances of commercial leases, commercial mortgages, and/or utilities for eligible businesses in Shasta County (outside the city limits of Redding) that have been negatively impacted by the Coronavirus Disease 2019 Pandemic and stay-at-home orders; and (b) execute a substantially similar agreement, and deliver the agreement and any and all subsequent amendments thereto, including retroactive, as well as any other documents required by HCD; (2) acknowledges the County’s compliance with all applicable state and federal public participation requirements; (3) acknowledges the Board’s adoption of Ordinance No. SCC 2023-02; and (4) repeals Resolution No. 2021-051.

**DISCUSSION**

On December 18, 2020, the California Department of Housing and Community Development (HCD) released a notice of funding availability (NOFA) for the CDBG - CV Round 2 and 3 application. This CARES Act funding will be allocated to eligible jurisdictions to perform activities related to COVID-19 response and recovery.

On June 8, 2021, the Board adopted Resolution No. 2021-051 to approve this funding awarded to Shasta County from the California Department of Housing and Community Development (HCD), through the United States Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) Program. CDBG-CV 2-3 funding is from the Coronavirus Aid, Relief, and Economic Security (CARES) Act specifically targeted to prevent, prepare for, and respond to the coronavirus. The County applied for and received these funds to assist eligible businesses to retain jobs and provide economic assistance in areas of Shasta County not served by the Redding metropolitan area, which is a CDBG entitlement jurisdiction. Program funding has been used for payment of past-due balances of commercial leases, commercial mortgages, and/or utilities for qualifying businesses. The intent of the funding is to assist businesses that were economically impacted by the community-wide shutdowns and widespread illness attributable to the COVID-19 Pandemic. In order to fulfill the CDBG national objective requirements, businesses that are owned by individuals who are earning less than 80 percent of the Area Median Income (AMI), or

businesses in which the majority of employees are LMI persons, will be eligible to apply for assistance. Assistance will be geographically targeted for businesses in Shasta County outside of the city limits of Redding. Assistance will be provided in the form of grants to pay for past-due rent or mortgage, and/or utilities on commercial buildings. The County subawarded \$782,443 to the Superior California Economic Development, Inc. (SCED) to award up to \$50,000 per eligible business under this program, \$1,500 per business assistance grant, up to \$20,000 in general administration. To date SCED has spent \$303,900 of the total amount. Seven businesses have been assisted due to the impacts of COVID on their business and to assist with employee retention. The department has contacted HCD to request an extension of the spending deadline from March 31, 2023, to October 31, 2024.

On June 8, 2021, the Board also approved a California Environmental Quality Act (CEQA) declaration that the proposed actions are not subject CEQA pursuant to state CEQA Guidelines sections 15060(c)(3) and 15378(b)(4).

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. Any amendments or changes to the original agreement, or any subagreements, will be reviewed by County Counsel prior to execution.

#### **ALTERNATIVES**

The Board could choose not to adopt the resolution, defer consideration to a future date, or provide alternate direction to staff. If the Board does not adopt the resolution on October 17<sup>th</sup>, or defers consideration to a future date, the department has been notified by the HCD that the \$871,371 in funding shall be returned to the HCD; even though many of the funds have already been spent in compliance with the NOFA and state and federal public participation requirements.

#### **OTHER AGENCY INVOLVEMENT**

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

#### **FISCAL IMPACT**

The CDBG-CV 2-3 funding and related appropriations in the amount of \$876,371 were included in the department's fiscal years 2022-23 and the 2023-24 Adopted Budgets. There is no County match. Today's recommendation is primarily ministerial and has no fiscal impact. \$93,928 of the total allocation is allowed for the department's administration costs.

#### **ATTACHMENTS:**

- 1: Revised Resolution
- 2: Resolution No. 2021-051
- 3: Attachment A (Ordinance No. SCC 2023-02)