



SUMMARY REPORT

Agenda Date: 10/22/2019

To: Board of Supervisors and Board of Commissioners
Department or Agency Name(s): Community Development Commission
Staff Name and Phone Number: Felicity Gasser, (707) 565-7507
Vote Requirement: Majority
Supervisorial District(s): All

Title:

Amended FY 2019-2020 Annual Action Plan to spend up to \$900,000 in reprogrammed Community Development Block Grant (CDBG) Funds and CDBG program income on previously awarded projects

Recommended Action:

Approve an amendment to the 2019-2020 Annual Action Plan to reprogram \$900,000 of Community Development Block Grant (CDBG) funds to previously funded projects that have experienced budget shortfalls due to high construction costs following the October 2017 wildfires. □

Executive Summary:

By approving the U.S. Department of Housing and Urban Development (HUD) 2015 Consolidated Plan and subsequent One Year Action Plans, including the most recent annual plan for FY 2019-20, the Board of Supervisors (Board) authorized the use of CDBG, HOME, and ESG funds, along with the committed leverage of non-federal resources for the five year period from 2015-2020 to meet community priorities. The County set priorities in the areas of affordable housing, homelessness and community development.

HUD has established specific performance measures for entitlement grantees, including the timely expenditure of CDBG funds. As the Commission approaches the six-month mark before its annual CDBG timeliness test, staff is beginning to evaluate current project spending to make a determination of whether action is needed to ensure that the Urban County passes this important timeliness test. The timeliness test requires that as of April 30, the balance of unspent CDBG funds, including any program income, is no more than 1.5 times the current year's allocation of funds.

Commission staff are currently conducting an assessment to determine which already-funded projects need additional funds to move forward, given the high construction costs resulting from labor shortages and increased materials costs following the October 2017 fires. Up to \$900,000 in CDBG funds will be reprogrammed to those projects which are able to spend any additional awarded funds prior to the May 2, 2020 timely expenditure deadline.

Discussion:

HUD has established specific performance measures for entitlement grantees, including the timely expenditure of CDBG funds. Each year in late April, HUD assesses the standing of CDBG expenditures for each entitlement jurisdiction. The Commission must spend at least \$900,000 prior to May 2, 2020 in order to prevent a timeliness violation.

Despite reprogramming of funds in early 2019 and making awards to projects that could spend funds quickly in the FY 2019-2020 funding rounds, there remain some stalled projects from prior years' funding rounds.

In a high-cost construction market, there are some previously funded projects that are coming in over budget and the previous award of CDBG funds are now inadequate.

For example, the City of Cotati put its School Street Path of Travel project out to bid, and the bids came in \$115,000 over the budgeted amount of \$260,000. Because an environmental review and the bid process have already been completed for this project, this project can quickly spend their funding if additional funds are awarded through an Action Plan amendment.

Included in the attachments is a list of all projects that have received awards but are not yet complete. The Commission will complete an assessment of each project on this list to determine how funds should be reprogrammed for timely expenditures.

Prior Board Actions:

4/30/2019 Item #45 - Board approved One Year Action Plan for FY2019-2020 with recommendations for funding community development, housing and homelessness projects through HUD

5/5/2015 Item #22 - Board approved the 2015 Five-Year Consolidated Plan

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses	900,000		
Additional Appropriation Requested	0		
Total Expenditures	900,000		
Funding Sources			
General Fund/WA GF	0		
State/Federal	900,000		
Fees/Other	0		
Use of Fund Balance	0		
Contingencies			
Total Sources	900,000		

Narrative Explanation of Fiscal Impacts:

No new appropriations (spending authorization) is required. The attached Resolution moves existing appropriations between projects awarded Community Development Block Grant funds (46105).

Staffing Impacts:

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)
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Narrative Explanation of Staffing Impacts (If Required):

Not applicable

Attachments:

1. Resolution to approve Amendment to FY2019-2020 Action Plan
2. CDBG Urban County Status Report

Related Items "On File" with the Clerk of the Board:

1. FY2019-2020 Action Plan