



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 5/11/2021

To: Sonoma County Board of Supervisors
Department or Agency Name(s): County Administrator's Office
Staff Name and Phone Number: Yvonne Shu 565-1739
Vote Requirement: Majority
Supervisorial District(s): Countywide

Title:

Delegation of Authority For Obtaining and Managing Grant Assistance Provided by the State of California's Community Development Block Grant (CDBG) Disaster Recovery and Mitigation programs.

Recommended Action:

Adopt a resolution authorizing the County Administrator and Assistant County Administrator, the Director and Deputy Director of the Department of Emergency Management (DEM), the Director and Assistant Director of the Information Systems Department (ISD), the Director and Deputy Director of Permit Sonoma, and the Director and Deputy Director of Transportation and Public Works (TPW), to: apply for funding; accept allocations of funding; execute grant agreement(s), and any amendments thereto; and execute for and on behalf of the County of Sonoma, any actions necessary for obtaining funding provided by the State of California's Housing and Community Development Community Development Block Grant Disaster Recovery (CDBG-DR) and Community Development Block Grant Mitigation (CDBG-MIT) programs.

Executive Summary:

The U.S. Department of Housing and Urban Development (HUD) appropriated \$212 million in CDBG-DR funds to the state of California to address the impacts of disasters that occurred in 2017. \$162 million has been allocated to address unmet recovery needs (CDBG-DR) and \$88 million for preparedness and mitigation needs (CDBG-MIT).

County departments submitted Notices of Intent to apply (NOI's) totaling over \$14 million for both CDBG DR-Infrastructure and CDBG-MIT in December 2020. HCD used the initial NOI submissions to determine how they would allocate funding across eligible jurisdictions. On March 22, 2021, the County received notification that it had received \$269,014 in 2017 CDBG-DR-Infrastructure funds and \$7,307,119 in 2017 CDBG--MIT funds.

The County projects submitted under CDBG DR-Infrastructure were fully funded. The CDBG-MIT program was oversubscribed across eligible jurisdictions, so HCD proportionally allocated funding across projects. The County Administrator's Office will coordinate with County departments and consult with Board members as appropriate to reassess project proposals in light of the CDBG-MIT funding gap before full applications are due, anticipated by HCD to be Summer 2021. Now that the County has received notice of its allocation, there is an opportunity to revisit project scopes as needed.

In the interim, HCD requires formal authorization from your Board for the involved County officers to apply for and receive the CDBG-DR and CDBG-MIT funding, and HCD also requires authorization for delegated signature

authority to execute CDBG-DR and CDBG-MIT funding documentation.

Discussion:

The U.S. Department of Housing and Urban Development (HUD) appropriated \$212 million in CDBG-DR funds to the state of California to address the impacts of disasters that occurred in 2017. The California Department of Housing and Community Development (HCD) is the grantee of this funding. \$162 million has been allocated to address unmet recovery needs (CDBG-DR) and \$88 million for preparedness and mitigation needs (CDBG-MIT).

Jurisdictions affected by DR-4344 (2017 Wildfires) and DR-4353 (2017 Southern California floods) are eligible to apply for the subject funding, as long as the respective program requirements regarding benefit to low and moderate income (LMI) and most impacted and distressed (MID) areas are met. LMI population is determined through HUD's database <<https://hud.maps.arcgis.com/home/item.html?id=ffd0597e8af24f88b501b7e7f326bedd>> of low and moderate income summary data. The LMI is established by the federal government for HUD-assisted housing programs and is adjusted annually. There is no local match requirement for either the CDBG-DR or CDBG-MIT programs.

CDBG Disaster Recovery Infrastructure (CDBG-DR Infrastructure)

CDBG-DR funding, the unmet recovery needs grant, is the traditional method through which HUD disburses recovery dollars; projects must have a clear tie-back to the declared disasters - primarily physical losses with demonstrative damage or physical losses with insurance estimates.

CDBG-DR Infrastructure funding, with \$36 million in program funds, is for infrastructure recovery needs - needs that were created by a disaster that still need to be met. This funding is not tied to housing and there is no local match. 50% of the total allocation must benefit low and moderate income households (individuals whose income is below 80% of area median income, and 80% of funds (\$30.4M) must be spent in HUD-designated Most Impacted and Distressed (MID) areas (see **Attachment 1** for MID map).

CDBG-DR Infrastructure funds may be used:

- As the “local match” cost share required for FEMA Public Assistance (PA) funding used for projects in categories C-G and completed before 8/21/19
 - Categories
 - C: roads and bridges
 - D: water control facilities
 - E: buildings and equipment
 - F: utilities
 - G: parks, recreational, other (must fall within definition of “improved and maintained” facility)
- As the HMGP “local match” for infrastructure projects completed before 8/21/19
- For standalone public infrastructure projects, including projects not eligible (or denied) for FEMA PA or HMGP funding

CDBG Mitigation (CDBG-MIT)

CDBG-MIT is a new funding source intended for forward-looking, preventative measures that mitigate disaster damage. The grant requires that 50% of the funds benefit the Most Impacted and Distressed (MID) area, 50% of funds be spent in the MID, and that 50% of the funds benefit Low to Moderate Income (LMI) individuals.

CDBG-MIT is comprised of two programs:

Resilient Infrastructure Program (MIT-RIP)

- \$61 million available: round 1 (\$43M) in 2021 and round 2 (\$18M) in 2024
- Eligible projects
 1. non-federal local cost share match of HMGP or Public Assistance (PA) infrastructure projects that meet program requirements
 2. standalone mitigation infrastructure projects that meet program requirements and which have completed designs, are already moving forward in initial design states, or that can exhibit some level of “shovel readiness”

Planning and Public Services (MIT-PPS)

- \$13 million available for planning activities related to hazard reduction, safety elements mitigation principles or updates to related plans
- \$9 million available for public services activities that demonstrate a new service or a quantifiable increase in the level of existing services

The County's Allocation

County departments submitted notices of intent to apply (NOI's) for both CDBG DR-Infrastructure and CDBG-MIT in December 2020. HCD used the NOI submissions to determine how they would allocate funding across eligible jurisdictions.

The County submitted over \$14M in eligible projects (see table below) for both programs. On March 22, 2021, the County received notification that it had received \$269,014 in 2017 CDBG-Disaster Recovery Infrastructure Program funds and \$7,307,119 in 2017 CDBG-Mitigation Resilient Infrastructure Program funds.

The following tables summarize the NOI's that comprised the basis of the County's allocation:

CDBG-DR Infrastructure

TPW submitted NOI's to receive the local cost share amounts for HMGP or PA infrastructure projects that were completed before August 2019. All amounts were allocated by HCD.

| Dept | Projects | NOI request | Allocated |
|--------------|--|------------------|------------------|
| TPW | Local cost share for Santa Rosa Road Yard Generator HMGP project | \$62,247 | \$62,247 |
| TPW | Local cost share for Airport Generator HMGP project | \$119,820 | \$119,820 |
| TPW | Local cost share for County Lighting PA project | \$72,536 | \$72,536 |
| TPW | Local cost share for Guardrails PA project | \$12,411 | \$12,411 |
| Total | | \$269,014 | \$269,014 |

CDBG-MIT Resilient Infrastructure Program

HCD proportionally allocated amounts for standalone project proposals for CDBG-MIT funding. The County's allocation for the new project below represents half of the amount originally submitted in the corresponding NOI.

| Dept | Project | NOI Request | Allocated |
|--------------|---|---------------------|--------------------|
| ISD | Local cost share for Data Center Generator HMGP project | \$164,545 | \$164,545 |
| DEM | Local cost share for Fire Cameras HMGP project | \$680,679 | \$680,679 |
| DEM | New project: Community Emergency Resilience Sites | \$13,500,000 | \$6,461,895 |
| Total | | \$14,345,224 | \$7,307,119 |

Community Emergency Resilience Sites

The Department of Emergency Management's (DEM) initial proposal for Community Emergency Resilience Sites involves the construction of five metal buildings, geographically distributed to support community disaster preparedness, store emergency resources, and serve as an energy-resilient emergency response facility for the community. These sites will be outfitted with solar power generation and large-scale battery storage capabilities.

DEM's original grant request was for \$13.5 million, but because the CDBG-MIT program was oversubscribed, the County received an allocation of \$6.4 million for the project. DEM will work with General Services to develop an estimated construction cost to determine how many facilities can be funded with the \$6.4 million allocation. Once the number of facilities is determined, DEM will provide a list of sites for consideration.

Because CDBG is the funding source, the determining factor for priority sites will be whether the location is in a low and moderate income (LMI) area and the level of benefit to LMI individuals. DEM is using the following criteria as it looks into potential site locations:

- Must be located in or benefit LMI areas and most impacted and distressed areas
- Must be located outside of high hazard areas (e.g., flood, fire, earthquake fault lines, tsunamis)
- Must be a property that has already been procured, with a minimum size of 5,000 square feet, that is County-owned or available for long-term lease from a public entity
- Located near communities for ease of access by residents
- Does not require extraordinary utility service runs

DEM intends to pursue additional funding sources so that all five sites may eventually be built.

Upon securing sufficient funding, full project planning, design, environmental consideration, procurement will be undertaken in accordance with all applicable laws and procedures.

Additionally, three projects were submitted as “placeholders” to the CDBG-MIT program, so that HCD would know what might be submitted for future rounds of funding:

- TPW Asti Bridge Planning
- TPW River Road
- DEM Disaster Response Capabilities Gap Analysis

Next Steps

Required supporting documentation is currently being submitted through HCD’s grant portal and will be evaluated for completeness by HCD. Any gaps in required documentation will be included in the Master Standard Agreement (MSA) that the County must complete. HCD will provide a draft MSA after the resolution has been authorized.

Once the MSA has been signed, the full applications can be submitted, which HCD estimates will occur in Summer 2021. The County Administrator’s Office will coordinate with County departments to reassess proposals in light of the funding gap and consult with Board members as appropriate before full applications are submitted. Now that the County has received notice of its allocation, there is an opportunity to revisit project scopes as needed.

Resolution

In the interim, HCD requires formal authorization for County departments and agencies to apply for and receive CDBG-DR and CDBG-MIT funding as part of the full application.

As part of the HCD-required resolution (**Attachment 2**), the County is required to acknowledge the CDBG-MIT program requirements and program documents, including the State’s Community Development Block Grant - Mitigation (CDBG-MIT) Action Plan for 2017 disasters, available at:

<https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-mit-2017/docs/hcd%20cdbg-mit%20action%20plan%20org%20-%20june%202020%20-%20approved.pdf>

Staff have reviewed the Action Plan, the State’s CDBG-DR Policies and Procedures Manual, CDBG MIT-RIP addendum, and other related materials, and are prepared to implement all program requirements should funding be awarded and grant agreements be finalized.

Additionally, the resolution references a Standard Agreement that is required as a condition of funding. As of this writing, HCD was still finalizing the template for the Standard Agreement and was unable to provide a sample agreement. The terms of the Standard Agreement are contingent on the notice to proceed, at which point the County will decide whether to move forward with any portions of the grant. It is anticipated that HCD will require a master agreement for all of the contemplated projects (or groups thereof). As permitted by HCD and in accordance with County general requirements, County Counsel approval as to form, legality, and other agreement-specifics will be required in conjunction with finalization of the actual agreement(s) to be executed with HCD.

HCD also requires authorization for delegated signature authority for CDBG-DR and CDBG-MIT funding, which would include modifying and claiming reimbursements, and amending and closing out grant documentation. The resolution will authorize the following position-specific titles to act on behalf of the County by executing any actions necessary for each application and sub-award:

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- County Administrator and/or Assistant County Administrator
- Director and/or Deputy Director of Department of Emergency Management (DEM)
- Director and/or Assistant Director of Information Systems Department (ISD)
- Director and/or Deputy Director of Permit Sonoma
- Director and/or Deputy Director of Transportation and Public Works (TPW)

Departments will sign grant documentation relevant to their departments only.

Prior Board Actions:

FISCAL SUMMARY

| Expenditures | FY 20-21 Adopted | FY 21-22 Projected | FY 22-23 Projected |
|------------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Budgeted Expenses | | | |
| Additional Appropriation Requested | | | |
| Total Expenditures | | | |
| Funding Sources | | | |
| General Fund/WA GF | | | |
| State/Federal | | | |
| Fees/Other | | | |
| Use of Fund Balance | | | |
| Contingencies | | | |
| Total Sources | | | |

Narrative Explanation of Fiscal Impacts:

| Staffing Impacts: | | | |
|--|--|-------------------------------|-------------------------------|
| Position Title (Payroll Classification) | Monthly Salary Range (A-I Step) | Additions (Number) | Deletions (Number) |
| | | | |
| | | | |
| | | | |

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

1) CDBG-DR and CDBG-MIT resolution

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

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None