



# Board Agenda Item 16

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DATE: May 9, 2023

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director  
Department of Public Works and Planning

Sanja Bugay, Director  
Department of Social Services

SUBJECT: 2023-24 Annual Action Plan for Community Development Block Grant, HOME Investment Partnerships Grant, and Emergency Solutions Grants Programs

RECOMMENDED ACTION(S):

1. **Conduct public hearing to receive testimony on proposed County community development, housing, and homeless grant programs;**
2. **Approve 2023-24 Annual Action Plan, including use of Community Development Block Grant, HOME Investment Partnerships Grant, and Emergency Solutions Grants;**
3. **Authorize the Director of the Department of Public Works and Planning to execute Standard Form 424 (Application for Federal Assistance), Certifications, and Entitlement Grant Agreements for Community Development Block Grant and HOME Investment Partnerships Grant; and**
4. **Authorize the Director of the Department of Social Services to execute Standard Form 424 (Application for Federal Assistance), Certification, and Entitlement Agreement for Emergency Solutions Grants.**

Approval of the recommended actions are necessary to allow the County's participation in the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG), HOME Investment Partnerships Grant (HOME), and Emergency Solutions Grants (ESG) entitlement programs and permit staff from the Department of Public Works and Planning (PWP) and the Department of Social Services (DSS) to submit the required planning document and applications for funds to HUD. The County's Urban County Area project jurisdiction (PJ) for Program Year (PY) 2023-24 will consist of unincorporated County areas and seven participating cities (Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger, and Selma). This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may approve the Annual Action Plan (AAP) as proposed or make any changes as appropriate, consistent with the Federal regulations governing each of these grant programs.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The AAP serves as the planning document for the County of Fresno's for Program Year (PY) 2023-24 allocation of CDBG (\$3,104,456), HOME (\$1,426,657), and ESG (\$279,629) funds. In addition to the allocations, PWP estimates receiving \$250,000 in program income for CDBG and \$500,000 in program income for HOME, but actual amounts fluctuate. This program income is derived from repayment of loans previously issued with CDBG or HOME funds and must be reinvested back into the programs.

CDBG funding does not require matching funds. HOME funding requires 25% in matching funds, which will be met with waived local taxes and fees on assisted properties and housing development funds. ESG funding requires a 100% match and will be met with Homeless Housing, Assistance and Prevention funding, awarded to the County of Fresno and the Fresno Madera Continuum of Care (FMCoC), from the California Business, Consumer Services and Housing Agency.

An overview of CDBG funding levels is included as Attachment A. For PY 2023-24, \$128,526 of CDBG funds will support services for victims of domestic violence and youth programs. The Sheriff's Area Based Policing crime prevention, community education, neighborhood watch, and Cops in School intervention activities will be funded at \$337,142. CDBG funds for these two community-based programs are capped at 15% of the allocation and funding levels for the youth programs were previously approved by your Board on August 10, 2021. Additionally, \$90,000 in CDBG funds will support rehabilitation of commercial façades and housing.

The seven participating cities will receive allocations of CDBG funds totaling \$1,161,394 in accordance with a population-based formula prescribed by HUD. The breakdown how these funds will be utilized is included as Attachment B.

Funding for unincorporated area public facility and infrastructure improvement projects will be \$390,000 (an increase of \$40,000 from the prior year). The Housing and Community Development Citizens Advisory Committee (CAC) has completed its review and ranking of five proposed public facility and infrastructure improvement projects for the unincorporated areas. The recommended amount of CDBG funds for unincorporated area public facility and improvement projects, in accordance with established Board policy, enables the first project on the CAC's recommended list to be funded with the remaining projects placed on a back-up list in priority order, as shown in Attachment C. Projects are then funded from the back-up list in the proposed priority order as funds may become available during the course of the year.

The final \$1,247,394 of CDBG funds will support program delivery, administrative costs, and absorb any shortfalls in anticipated program income.

An overview of HOME funding levels is included as Attachment D, and will support housing rehabilitation loans (\$768,000), first-time homebuyer assistance (\$195,300), loans to developers of affordable housing (\$770,691), and program administration (\$192,666). If the estimated program income falls below the expected \$500,000, it will be balanced by equivalent reductions in housing rehabilitation loans. The County is mandated to use at least 15% of the HOME allocation on affordable housing projects carried out by designated Community Housing Development Organizations (CHDOs). Any recommended expenditures towards affordable housing development will be brought to the Board for approval.

#### DISCUSSION:

The AAP is prepared yearly and serves as the County's application for its allocation of entitlement funds from HUD. The PY 2023-24 AAP is the fourth annual plan within the five-year Consolidated Plan approved by your Board on April 28, 2020 and identifies specific goals the County will strive to achieve in the coming year. The AAP is required by HUD in order for the County to receive CDBG, HOME, and ESG funds. PWP and DSS collaborate to prepare the Consolidated Plan and each AAP and administer the CDBG, HOME, and ESG programs as directed by the Board. Last year's AAP was approved by your Board on June 21, 2022.

A description of CDBG and HOME programs for unincorporated areas of the County is included as Attachment E. Notably this year, PWP will focus on facilitating up to a dozen housing rehabilitation loans to meet the targets established in the Consolidated Plan. PWP will also in the upcoming fiscal year develop proposed modifications to the HOME-funded first-time homebuyer program to ensure the County's underserved communities can take advantage of these Federal funds. Any recommended modifications will be brought before your Board for approval.

ESG funds may be used for the following five program components: street outreach/emergency shelter, homelessness prevention, rapid re-housing, Homeless Management Information System (HMIS), and administrative activities (up to 7.5% of the allocation). In compliance with HUD requirements, DSS consults with the FMCoC and provides recommendations for ESG allocations. Recommendations are integrated with the goals and other funding plans throughout the FMCoC to ensure the most effective use of State and Federal funding. The PY 2023-24 ESG funds will be used to facilitate homeless individuals, families, and the chronically homeless in moving to stabilized, permanent housing situations by providing short and medium-term rental subsidies, case management, security deposits, moving costs, and supportive services.

The AAP includes certifications that assure HUD that the County has complied with Federal regulations and requirements. These include conducting two public hearings, affirmatively furthering fair housing, maintaining a drug-free workplace, limiting lobbying, and ensuring that the activities of the AAP will principally benefit persons of low- and moderate-income. The County has complied with all of these requirements.

#### OTHER REVIEWING AGENCIES:

The Consolidated Plan Committee (CPC) conducted a noticed public hearing on housing and community development needs during its meeting on January 11, 2023. This public hearing began the planning process for the AAP. The CPC includes Housing and Community Development Citizens Advisory Committee (CAC) members from unincorporated area communities and neighborhoods (appointed by your Board), and representatives from the seven participating cities.

The AAP has also been available for public review and comment to the general public on the County's website at [www.co.fresno.ca.us/grants](http://www.co.fresno.ca.us/grants).

#### REFERENCE MATERIAL:

BAI #11, June 21, 2022  
BAI #56, August 10, 2021  
BAI #5, April 28, 2020

#### ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachments A-E  
On file with Clerk - 2023-24 Annual Action Plan

#### CAO ANALYST:

Salvador Espino