



Board Agenda Item 57

DATE: July 12, 2022

TO: Board of Supervisors

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

SUBJECT: Housing Preservation Grant Application

RECOMMENDED ACTION(S):

- 1. Retroactively approve and authorize Director of Public Works and Planning to execute and submit grant application, on behalf of the County, to the U.S. Department of Agriculture Rural Development for the Housing Preservation Grant program, to repair housing for low and very low-income rural residents, in the amount of up to \$200,000 or half of the California State Housing Preservation Grant allocation whichever is less; and**
- 2. If the County is selected for funding, authorize the Director of the Department of Public Works and Planning to execute the Grant Agreement, related documents and any amendments thereto, necessary for participation in the Housing Preservation Grant Program, subject to review of County Counsel and the Auditor-Controller/Treasurer-Tax Collector.**

The United States Department of Agriculture (USDA) Rural Development (RD) has issued a Notice of Solicitation of Applications for its 2022 Housing Preservation Grant (HPG) program. The County is eligible to apply for up to half of the California State Housing Preservation Grant allocation which is unknown at this time. Housing Preservation Grant funds will augment the County's existing Housing Assistance Rehabilitation Program (HARP) by providing housing rehabilitation grants to eligible homeowners in the rural unincorporated areas.

ALTERNATIVE ACTION(S):

Your Board may choose to decline the recommended action to approve the application of the USDA RD Housing Preservation Grant and not provide these grant funds to repair housing for low- and very-low-income rural residents.

RETROACTIVE AGREEMENT:

The recommended agreement is retroactive, due to the grant application submission deadline of July 11, 2022. Department staff only received notification of this grant on May 26, 2022. This item is being brought before your Board at the first available date within agenda item processing deadlines.

FISCAL IMPACT:

There is no Net County Cost associated with this grant. Existing staff in the Department of Public Works and Planning, Community Development Division prepared the application and will administer the program. Per HPG regulations, the County may use up to 15% of the grant award for administrative costs.

If the application is successful, a subsequent budget resolution to appropriate the grant funds in Org 5512 (PWP Grants) for FY 2022-23 will be presented to the Board for approval.

DISCUSSION:

The HPG Program provides funds for housing rehabilitation to rural low-income households, for eligible repairs and improvements to residences to meet health and safety code requirements. The HPG program will be administered by the County's Affordable Housing Program (AHP) staff to ensure project compliance and oversee the completion of the project. The rehabilitation work may include improvements to private domestic water wells that have become dry or experienced other issues related to drought conditions, which makes HPG an important source of funds for the County to assist affected homeowners. The HPG funds must be used specifically for the rehabilitation of homes in rural unincorporated areas occupied by eligible low-income residents. The Department's Community Development Division has successfully administered seven previous HPG awards received in 2002, 2003, 2005, 2010, 2013, 2014, and 2017.

The HPG program would be administered by AHP staff as a component of the County's Affordable Housing Program, which includes the HARP programs. The HARP program utilizes HOME and CDBG funds to provide loans to low-income households for needed rehabilitation work. All work is completed by an approved and licensed contractor, with AHP staff monitoring the work to ensure that it is completed to code and within program guidelines prior to issuance of payments to the contractor. The HPG program would be used to complement the County's HARP program, allowing all or a portion of the HARP loan to be replaced by a grant and expanding the amount of work able to be completed by the AHP program beyond the amount of HARP loan funds available through HOME and CDBG funding.

Consistent with previous recent HPG awards, the new HPG funds will be structured as grants to eligible homeowners for needed repairs and improvements. Granting the one-time award of HPG funds to the homeowners eliminates the need for ongoing loan servicing costs. Homeowners will not receive funds directly. Consistent with the HARP program, AHP staff will manage funds and work directly with the contractors for payment. The County will determine the maximum grant amount per household upon the County's receipt of the HPG award from USDA Rural Development. It is anticipated that the funds will assist approximately 3-6 households, dependent on the grant award amount. Previous HPG grant amounts were approximately \$50,000 with a maximum of \$15,000 per household for repairs and improvements for health and safety items. The grants may be matched with HARP loans provided to the homeowners funded with Federal HOME and CDBG funds. The County's existing Community Development Division staff will administer the program.

If the grant is awarded, a budget resolution will be brought to the Board to allocate funds for acceptance.

OTHER REVIEWING AGENCIES:

In accordance with the HPG regulations a pre-application notification was submitted to the State Clearinghouse and the Fresno County Council of Governments for review and comment. Additionally, a public notice was published in the Business Journal to allow the public to comment for the required 15-day period.

REFERENCE MATERIAL:

BAI #50, October 31, 2017
BAI #46, July 15, 2014

CAO ANALYST:

Salvador Espino