



Board Agenda Item 50

DATE: October 31, 2017

TO: Board of Supervisors

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

SUBJECT: Housing Preservation Grant Award

RECOMMENDED ACTIONS:

- 1. Accept Housing Preservation Grant award from the U.S. Department of Agriculture (\$44,593); and Authorize the Director of Public Works and Planning, or his designee, to execute the Grant Agreement, related documents and any amendments thereto, necessary for participation in the Housing Preservation Grant Program, subject to review and approval of County Counsel and the Auditor-Controller/Treasurer-Tax Collector; and**
- 2. Adopt Budget Resolution increasing the FY 2017-18 appropriations and estimated revenues for the Department of Public Works and Planning Grants Organization 5512 in the amount of \$44,593 for the new Housing Preservation Grant (4/5 vote).**

The County has been awarded a new Housing Preservation Grant (HPG) from the U.S. Department of Agriculture (USDA) in the amount of \$44,593, to provide housing rehabilitation grants to eligible homeowners in the rural unincorporated area through the County's Housing Assistance Rehabilitation Program (HARP). The recommended actions are necessary to accept the grant funds, execute the associated grant agreement documents, and appropriate the grant funds so they can be utilized.

ALTERNATIVE ACTION:

The Board may choose to decline the grant award. The grant funds must be appropriated in order to be expended and the associated grant program implemented.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended actions. The USDA will provide a grant of \$44,593 to the County for eligible rural housing rehabilitation program activities. The required 100% match will be provided through the County's existing HOME Investment Partnerships (HOME) Grant and Community Development Block Grant (CDBG) funds appropriated for the Housing Assistance Rehabilitation Program (HARP) in Orgs 55122008 and 7205. Up to 15% of the grant funds may be used for eligible administrative costs. The current FY 2017-18 budget, Org 5512, must be amended to appropriate the new grant funds as it was not known at the time the budget was prepared and adopted that these funds would become available. Approval of the second recommended action will increase FY 2017-18 appropriations and estimated revenues in the Public Works and Planning Grants Organization 5512 in the amount of \$44,593.

DISCUSSION:

The USDA Housing Preservation Grant Program provides funds for housing rehabilitation to rural low-income households, for eligible repairs and improvements to their principal place of residence to meet health and safety code requirements. 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 Department's Community Development Division has successfully administered six previous HPG awards received in 2002, 2003, 2005, 2010, 2013 and 2014. This program is an important funding addition to the County's HARP program, as it enables families to receive additional funds for necessary housing rehabilitation improvements beyond the amount of HARP loan funds available through HOME and CDBG funding. The HPG funds must be used specifically for the rehabilitation of homes in rural unincorporated areas occupied by eligible low-income residents, and this HPG allocation amount is expected to assist three homes. The grant funds must be expended and the associated housing rehabilitation activity must be completed by September 30, 2019.

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. Each household grant of HPG funds will not exceed \$15,000, and only repairs and improvements for health and safety items will be eligible for the grant funds. The grants will 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.

The first recommended action is to accept the HPG award of \$44,593 and authorize the Director of the Department of Public Works and Planning or his designee to sign the Grant Agreements and all related documents and amendments.

The second recommended action is to adopt the associated Budget Resolution amending the budget for Org 55121703 (Public Works and Planning-Grants, Housing Preservation Grant) to appropriate the grant funds.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Resolution

CAO ANALYST:

John Hays