



COUNTY OF HUMBOLDT

For the meeting of: 10/29/2024

File #: 24-1481

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Submission of a Grant Application Up to \$3.3 Million to the California Department of Housing and Community Development (HCD) for a Community Development Block Grant (CDBG) for the 2024 Notice of Funding Availability (NOFA)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the resolution (Attachment 2) to:
 - a. Approve application for funding to be submitted to HCD for the 2024 CDBG program in an amount not to exceed \$3.3 million to fund a senior center within an affordable senior housing development, and
 - b. Authorize and direct the Planning and Building Department Director to execute, in the name of the County of Humboldt, the application, the standard agreement, and all other documents required by HCD for participation in the CDBG Program, and any amendments.
 - c. Authorize the Planning and Building Director to execute an agreement with the City of Eureka and/or the Housing Authority of the City of Eureka in relation to this grant, after approval by Risk Management, County Counsel and the County Administrative Office.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Housing for All

Strategic Plan Category: 4002 - Increase and prioritize housing development

DISCUSSION:

In September of 2024 HCD released a NOFA for the CDBG 2024 funding round. Applications must meet one of three CDBG national objectives: benefit low-to-moderate income individuals; aid in the prevention or elimination of slums or blight; or meet an urgent need. The Planning and Building Department - Grants and Housing Division seeks to apply for this NOFA to fund the construction of a senior center that will be part of an affordable senior center development within the City of Eureka. Attachment 1 depicts the scope of the project.

The senior housing development is proposed for 1115 Clark Street, Eureka and will serve low-moderate income (LMI) clientele. The existing 12 units will be demolished and replaced by a 44-unit development with common areas that are being referred to as the senior center. The residents displaced by the project will be offered the opportunity to relocate to other housing owned by the Housing Authority of the City of Eureka or will receive tenant protection vouchers to find housing of their choice. The project is expected to be completed within the 3-year performance period outlined in the NOFA.

The CDBG 2024 NOFA has many restrictions that prevent potential funding from being used for new (versus rehabilitated) housing construction or for projects where there is no site control, or the project is not in a state of readiness. There are no housing projects identified within the county’s jurisdiction that met the eligibility criteria. The Housing Authority of the City of Eureka proposes a project that meets the eligibility criteria and is located within the city limits of Eureka.

While it is unusual for county funds to be used for a project located within a city’s jurisdiction, staff recognized in this instance that bringing funding into the county for this project, whether inside or outside a city’s jurisdiction, is a benefit to the county as a whole. Without any other projects eligible to fund with the 2024 CDBG NOFA, the department is in support of partnering with the Housing Authority of the City of Eureka and City of Eureka to fund a portion of a future senior housing development. Because of the jurisdictional issue the county’s portion of the funding for the project can only be used to construct the common areas, or the senior center part of the housing development, and not actual housing units. This project would strengthen the relationships between the county and other agencies with similar housing goals.

HCD will be distributing this funding to non-entitlement jurisdictions on a competitive basis. Humboldt County will compete statewide with non-entitlement jurisdictions for approximately \$20.5 million in this round of CDBG funding. Humboldt County is eligible to apply for up to \$3.3 million under the CDBG 2024 NOFA rules.

The County of Humboldt would be the applicant with the Housing Authority of the City of Eureka as the subrecipient, requiring an agreement. Additionally, since the project is located in the City of Eureka's jurisdiction, an acknowledgment will need to be executed between the County of Humboldt and the City of Eureka.

As required by the CDBG application guidelines, a previous public meeting was held by the Planning and Building Department on March 31, 2024, to discuss the funding available under CDBG and other funding sources and solicit priorities from the community. The two primary needs that surfaced as priorities were LMI senior housing and support for multifamily housing. While the proposed application does not fund additional housing units, it indirectly reflects the identified needs of the community by supporting a common area for a senior housing development.

SOURCE OF FUNDING:

The California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) 2024 allocation and CDBG Program Income. Funds allocated to Long Range Planning (1100-282)

FINANCIAL IMPACT:

<i>Expenditures (1100282101- CDBG)</i>	FY24-25	FY25-26 Projected*	FY26-27 Projected*
<i>Budgeted Expenses</i>		3,300,000	
<i>Additional Appropriation Requested</i>		0	
<i>Total Expenditures</i>		3,300,000	

**Projected amounts are estimates and are subject to change.*

<i>Funding Sources (1100282101-CDBG and 1100282201-HOME PI)</i>	FY24-25	FY25-26 Projected*	FY26-27 Projected*
<i>General Fund</i>		0	
<i>State/Federal Funds</i>		3,300,000	
<i>Fees/Other</i>		0	
<i>Use of Fund Balance</i>		0	
<i>Contingencies</i>		0	
<i>Total Funding Sources</i>		3,300,000	

**Projected amounts are estimates and are subject to change.*

NARRATIVE OF FINANCIAL IMPACT:

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This action solicits grant funding from the State of California in the amount of \$3.3 million to develop and construct a senior center, or common area, within a senior housing development. Salaries, benefits and fringe are covered by the grant with the ability to use existing and future HOME funding to cover any shortfall in staffing costs. The grant allows for 7% to be used toward administration of the grant which would be \$231,000. The existing county staff would be responsible for submitting reporting documents with support from staff of the Housing Authority of the City of Eureka.

OTHER AGENCY INVOLVEMENT:

The California Department of Housing and Community Development, the City of Eureka and the Housing Authority of the City of Eureka.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may decide not to apply for the CDBG 2024 funds; or the Board may choose to approve different proposals.

ATTACHMENTS:

1. Proposal for CDBG Grant Funding
2. Draft Resolution approving an application for funding to be submitted to the Department of Housing and Community Development (HCD) for the 2024 Community Development Block Grant Program in an amount not to exceed \$3.3 million.

PREVIOUS ACTION/REFERRAL:

Meeting of: NA

File No.: NA