



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

JI

For the meeting of: January 23, 2018

Date: January 2, 2018

To: Board of Supervisors

From: John H. Ford, Director Planning and Building

Subject: Community Development Block Grant Close Out Report for 14-CDBG-9890

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive Report; and
2. Open public hearing and receive public comment; and
3. Close public hearing and direct staff to submit final reports to the State of California Housing and Community Development Block Grant (CDBG) Program.

SOURCE OF FUNDING:

State of California Housing and Community Development (HCD) Block Grant (CDBG) Program.

DISCUSSION:

The County received \$1,200,000 in funding from the HCD CDBG Grant Program and using \$95,000 of program income for a variety of activities in 2014. Activities funded included a homebuyer program, a micro-enterprise technical assistant and loan program, business loan program for businesses hiring lower

Prepared by Paula Mushrush

CAO Approval

REVIEW:

Auditor

County Counsel

Human Resources

Other

TYPE OF ITEM:

- ☐ Consent
☐ Departmental
☒ Public Hearing
☐ Other

PREVIOUS ACTION/REFERRAL:

Board Order No. L-2, J-3

Meeting of: 3/25/14, 10/24/17

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Wilson Seconded by Supervisor Bass

Ayes Bass, Fennell, Sundberg, Bohn, Wilson
Nays
Abstain
Absent

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 1/23/17

By:

Kathy Hayes, Clerk of the Board

income residents, planning and technical reports for the Samoa peninsula, and the repair of a water tank for Palmer Creek Community Services District. The CDBG program requires a jurisdiction to have a public hearing within 90 days after expiration of grant (October 31, 2018) to discuss accomplishments of the program.

The program provided \$558,140 in homebuyer grant funds, and was supplemented with \$100,669 in program income. To be eligible borrowers needed to earn less than 80 percent of area median income (AMI) based on family size, and qualify for a loan from a primary lender. For a family of 4 this is \$47,900. The loans are 3 percent simple interest and deferred for 30 years. There were seven loans issued, this included 4 families ranging from 2-7 in the household size, one single parent, and one single person. It included two minority borrowers. Loans are up to 50 percent of the loan package and range between \$100,000 and \$125,000. Grant funds expended were \$520,982, the remaining \$37,158, which could not fund a full loan, will be disencumbered.

The micro business program was awarded \$279,070 for technical assistance and micro-loans to qualified micro-entrepreneurs. To qualify the entrepreneur needed to be a nascent or small business with less than 5 employees and earn less than 80 percent of AMI based on family size. The program provided technical assistance to 179 micro entrepreneurs, and no loans. A summary, including the demographics, is included as Attachment 1. The county spent \$211,583, the balance \$67,487 will be disencumbered. The main reason for the disencumbrance was inability to find qualified micro-businesses interested in loans.

The business loan program was awarded \$186,046 to assist businesses hiring lower income residents. This program was never fully realized and no loans were made to eligible candidates, therefore the full amount will be disencumbered.

The planning and technical assistance award was for \$93,023. The studies, which were required to be presented prior to grant expiration, were presented at the October 24, 2017 Board meeting. The Studies reviewed included the "Infrastructure Needs and Reuse on the Samoa Peninsula" and the "Samoa Peninsula Wastewater Legal Parcel Analysis". These studies can be found on the county website. The CDBG cost for these studies were \$88,160, and the remaining \$4,583 will be disencumbered. The one study prepared on a reimbursable basis cost less than projected.

The county was also awarded \$83,721 to administer the grant, including preparing guidelines, reporting, fiscal management, and other related costs. Costs to administer the program totaled \$82,440. The remaining \$1,281 will be disencumbered. Costs must be directly related to administration of the program, and because not all funds were spent there was less administrative needs.

The supplemental project, a repair to the Palmer Creek water system, was completed in 2016. The system serves residents on and near Palmer Creek Road, which is near Fortuna. The entire project cost \$148,000, with \$95,000 coming from CDBG program income funds and the balance coming from district funds. It improved water delivery to 145 households, including 43 rental households and 102 owner households, with a total of 218 persons benefitting from the work.

After the public hearing staff will submit the required close out reports to HCD.

FINANCIAL IMPACT:

All expenses were covered by the grant or program income. There is no impact to the general fund. Budget Unit 1100282 was awarded \$1,200,000 in grant funds and utilized \$903,164. The state will disencumber the remaining \$296,836 of grant funds. These funds will be awarded to other jurisdictions for

CDBG eligible projects. In addition the county spent \$195,669 of program income to carry out grant activities.

This meets the Board's strategic framework in many ways. Including encouraging new local business enterprise, supporting self-reliance of citizens by providing an entry into homeownership, improved health by maintaining infrastructure, and seeking outside funding sources to benefit Humboldt county residents.

OTHER AGENCY INVOLVEMENT:

The Humboldt State University Sponsored Programs Foundation's North Coast Small Business Resource Center, Inc., a nonprofit corporation, also known as the North Coast Small Business Development Center, has a contract to administer the micro-enterprise technical assistance program.

The Economic Development Division manages the business loan programs, both micro and business loans.

Palmer Creek Community Services District was a sub-recipient and managed the Palmer Creek water project.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could request additional information, and it will be readily provided.

In addition the Board could ask the staff to not submit the closeout reports. This is not recommended as timely reporting is important to ensure grant compliance and future funding.

ATTACHMENTS:

Attachment 1: Micro-Enterprise Technical Assistance Summary

Attachment 1
Micro-Enterprise Project Set-Up
And Completion Report

STATE OF CALIFORNIA - CDBG PROGRAM

Project Setup & Completion Report

ED: Micro-Technical Assistance

Complete this form as a Setup Report, a Completion Report or a Setup and Completion Report and submit to your CDBG Program Representative.

Department of Housing and Community Development

CDBG Program

P.O. Box 952054

Sacramento CA, 94252-2054

FOR CDBG USE ONLY

Project Completion Report

Mgr Initials:

Date

Rep Initials:

Date

☐ IDIS☐ CAPES

Fiscal Initials

Date:

Program Income

PI Receipt #

PI Voucher #

CDBG-Assigned Numbers

CDBG Project Number

IDIS Activity Number

Proposed completion MM/YY

06-2017

Proposed # of Beneficiaries

150

PI Only Funding

Select Option

All CDBG funds used in this project

☐ PI☐ RLF☒ Grants

Setup

Select Option

Date 10/31/2017

Completion

Select Option

Date

Reporting FY

17/18

☐ Annual Report☒ Final Report

Part A JURISDICTION INFORMATION & PREPARER

REQUIRED

Jurisdiction Contact Information

1a. Name (Contact Person)

Paula Mushrush

1b. E-Mail

pmushrush@co.humboldt.ca.us

1c. Phone/Direct Line

707-268-3798

Preparer

Jurisdiction Staff

2a. Preparer's Name

Janet De Pace (with Paula Mushrush)

2b. Organization (if not grantee)

North Coast Small Business Development Center

2c. E-Mail

pmushrush@co.humboldt.ca.us

2d. Phone/Direct Line

707-268-3798

Subrecipient Information (Only)

REQUIRED if applicable

3a. Organization name

3b. Complete address

3c. Organization is categorized as:

Select Option

3d. DUNS number

3e. E-Mail

3f. Phone/Direct Line

3g. Check all that applies to this organization

☐ A Faith-Based Organization☒ Non-Profit Organization☐ An Institution of Higher Education

Part B PROJECT & ACTIVITY INFORMATION

REQUIRED

1a. Name of Project

Micro-Enterprise Technical Assistance

1b. Project Service Address

520 E Street

1c. City

Eureka

1d. Zip Code

95501

CDBG Project Amount (Incl AD)

\$254,070

2. National Objective

LMCMC - Low/mod limited clientele benefit

3. Activity & Matrix Code

18C - ED Micro-Enterprise Assistance

4. Accomplishment Type

01 - People (General)

STATE OF CALIFORNIA - CDBG PROGRAM

Project Setup & Completion Report

Part C

PROJECT FUNDING SOURCE DETAIL

REQUIRED

1. CDBG Grant

18C - ED Micro-Enterprise Assistance

Funding Type (CDBG Funds)

Amount (CDBG Funds)

CDBG - Grant

\$254,070

Activity Delivery

TOTAL

\$254,070

2. CDBG Program Income

Program Income (PI) Type

Amount PI Funds

CDBG - PI Grant

Activity Delivery

TOTAL

4. Leverage and Other Funding Sources

Funding Source

Name of Source

Amount

Select Option

TOTAL

TOTAL PROJECT COST

\$254,070

Comments: explain any issues with this activity or clarification of information provided in this form.

This is the second report. It captures in YEAR 1, what is actually 5 months of 2017/18.

STATE OF CALIFORNIA - CDBG PROGRAM

Project Setup & Completion Report

Part C**PROJECT FUNDING SOURCE DETAIL****REQUIRED****1. CDBG Grant**

18C - ED Micro-Enterprise Assistance

Funding Type (CDBG Funds)

Amount (CDBG Funds)

CDBG - Grant

\$254,070

Activity Delivery

TOTAL**\$254,070****2. CDBG Program Income**

Program Income (PI) Type

Amount PI Funds

CDBG - PI Grant

Activity Delivery

TOTAL**4. Leverage and Other Funding Sources**

Funding Source

Name of Source

Amount

Select Option

TOTAL**TOTAL PROJECT COST****\$254,070**

Comments: explain any issues with this activity or clarification of information provided in this form.

This is the second report. It captures in YEAR 1, what is actually 5 months of 2017/18.

Jurisdiction Name: County of Humboldt

Contract #

14-CDBG-9890

STATE OF CALIFORNIA - CDBG PROGRAM

Project Status and/or Completion Report

National Objective

LMCMC - Low/mod limited clientele benefit

Activity Matrix Code

18C - ED Micro-Enterprise Assistance

Status

☒ Final☐ Year 1☐ Year 2☐ Year 3

Part A

DIRECT BENEFIT DATA BY BUSINESS

REQUIRED

Assistance to Businesses

Total

Number

Number

Number of Businesses Assisted that Provide
Goods or Services to Meet the Needs of a Service
Area

94

New Businesses Assisted

21

Expanding

Relocating

Existing Businesses Assisted

73

23

DIRECT BENEFIT DATA BY PERSON

Race / Ethnicity	YEAR 1		YEAR 2		YEAR 3		All Years		Disable	Female Head of Household	Veteran
	Total	Hispanic / Latino	Total	Hispanic / Latino	Total	Hispanic / Latino	Total	Hispanic / Latino			
White (11)	71	3	62	3	67	7	200	13	21	40	3
Black/African American (12)	1				1		2		2		
Asian (13)											
American Indian / Alaskan Native (14)					1		1				
Native Hawaiian / Other Pacific Isl (15)											
Am. Indian / Alaskan Native & White (16)	2				3		5		1	1	
Asian & White (17)					1		1				
Black/African Am. & White (18)											
Am. Indian/Alaskan & Blk/African (19)	1						1				
Other Multi-Racial (20)	3	1	3		2		8	1	1	1	

INCOME LEVELS

Year 1

Year 2

Year 3

All Years

Extremely Low (<30%)

39

25

37

101

Low (31-50%)

22

23

23

68

Moderate (51-80%)

17

17

15

49

Non-Low/ Moderate (+80%)

Total Persons

Assisted 218

14

Number of persons disable

25

Number of female head of households

42

Number of participants tha are veterans

3