

## COUNTY OF HUMBOLDT

AGENDA ITEM NO.

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	1 1	CAO Approval
REVIEW: MSM County Counsel	WV Human Resour	cesOther
TYPE OF ITEM:  Consent Departmental X Public Hearing	/	BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT Upon motion of Supervisor Wilson Seconded by Supervisor  3ass
Other PREVIOUS ACTION/REFERRAL:		Ayes Bass, Fennell, Sunchberg, Bohn, Wilson Nays Abstain Absent
Board Order No. <u>L-2</u> , <u>J-3</u> Meeting of: 3/25/14, 10/24/17		and carried by those members present, the Board hereby approves the recommended action contained in this Board report.
		By: Kathy Hayes etch 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

14-CDBG-9890 Jurisdiction Name: County of Humboldt Contract # STATE OF CALIFORNIA - CDBG PROGRAM Project Setup & Completion Report FOR CDBG USE ONLY **ED: Micro-Technical Assistance** Project Completion Report Complete this form as a Setup Report, a Completion Report or a Setup and Completion Report and submit Mgr Initials: Date to your CDBG Program Representative. Rep Initials: Date Department of Housing and Community Development CDBG Program TIDIS CAPES P.O. Box 952054 Fiscal Initials Date: Sacramento CA, 94252-2054 Program Income PI Only Funding All CDBG funds used in this project PI Receipt # **Select Option** PI Voucher# PI RLF ✓ Grants **CDBG-Assigned Numbers** Setup Select Option Reporting FY **IDIS Activity Number** CDBG Project Number Date 10/31/2017 17/18 Completion Annual Report Select Option Proposed completion MM/YY 06-2017 Final Report Proposed # of Beneficiaries Date 150 **JURISDICTION INFORMATION & PREPARER** Part A REQUIRED Jurisdiction Contact Information Preparer Jurisdiction Staff 1a. Name (Contact Person) 2a. Preparer's Name Paula Mushrush Janet De Pace (with Paula Mushrush) 1b. E-Mail 2b. Organization (if not grantee) pmushrush@co.humboldt.ca.us North Coast Small Business Development Center

Subrecipient Information (Only) REQUIRED if applicable 3a. Organization name 3b. Complete address 3c. Organization is categorized as: 3d. DUNS number 3e. E-Mail 3f. Phone/Direct Line Select Option 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 1c. City 1d. Zip Code CDBG Project Amount (Incl AD) 520 E Street Eureka 95501 \$254,070

2c. E-Mail

pmushrush@co.humboldt.ca.us

2. National Objective LMCMC - Low/mod limited clientele benefit

707-268-3798

1c. Phone/Direct Line

3. Activity & Matrix Code

18C - ED Micro-Enterprise Assistance

4. Accomplishment Type

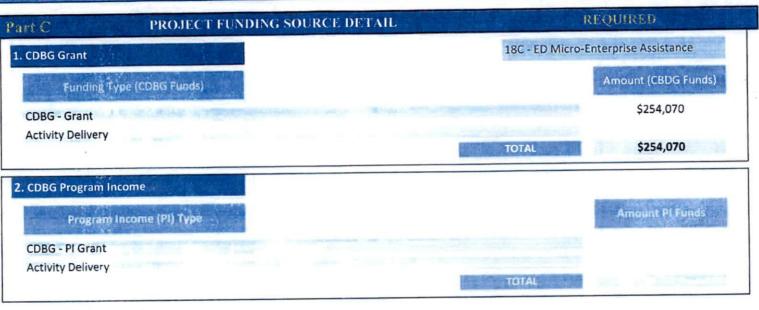
2d. Phone/Direct Line

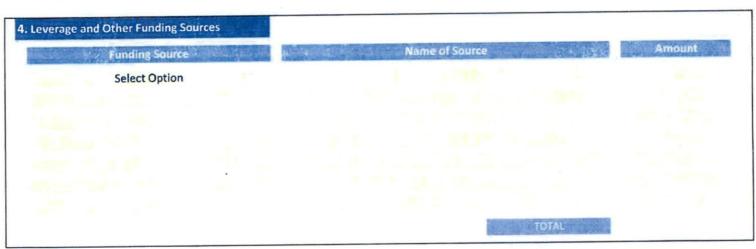
707-268-3798

01 - People (General)

## STATE OF CALIFORNIA - CDBG PROGRAM

Project Setup & Completion Report





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.

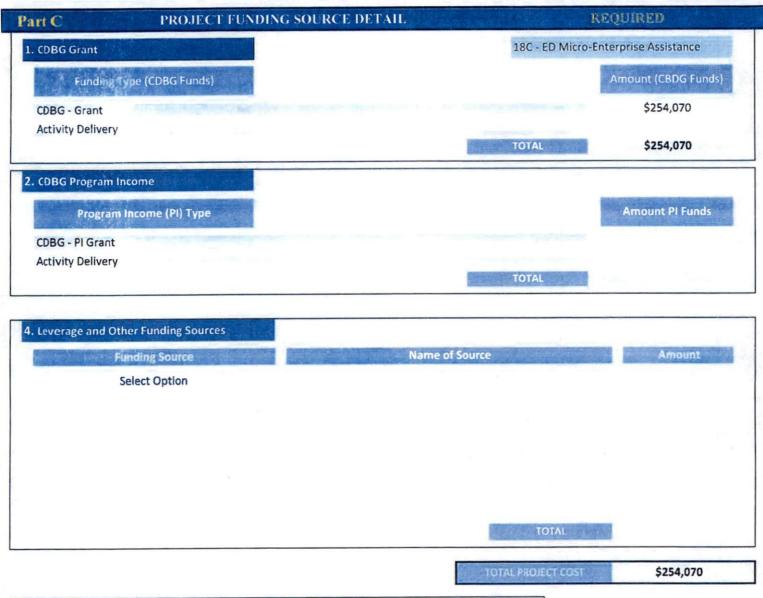
Jurisdiction Name: County of Humboldt

Contract #

14-CDBG-9890

## STATE OF CALIFORNIA - CDBG PROGRAM

Project Setup & Completion Report



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Jurisdiction Name: County of Humboldt Contract # 14-CDBG-9890 STATE OF CALIFORNIA - CDBG PROGRAM Status Project Status and/or Completion Report ✓ Final **National Objective** LMCMC - Low/mod limited clientele benefit Year 3 Year 1 Year 2 18C - ED Micro-Enterprise Assistance **Activity Matrix Code** DIRECT BENEFIT DATA BY BUSINESS Part A REQUIRED Number of Businesses Assisted that Provide Assistance to Businesses Total Number Number Goods or Services to Meet the Needs of a Service Expanding Relocating 21 New Businesses Assisted 94 Existing Businesses Assisted 73 23 DIRECT BENEFIT DATA BY PERSON YEAR I YEAR 2 YEAR 3 All Years mule Head o Household Hispanie Hispanie/L Hispanic/L Hispanic/L Race / Ethnicity White (11) 71 62 67 3 3 200 21 13 40 Black/African American (12) 1 1. 2 Asian (13) American Indian / Alaskan Native 1 1 Native Hawaiian / Other Pacific Isl Am. Indian / Alaskan Native & 2 3 5

White (16) Asian & White (17)

-1

Black/African Am. & White (18)

Am. Indian/Alaskan & Blk/African

Other Multi-Racial (20)

INCOME LEVELS	Year 1	Year 2	Year 3	All Years	Total Persons Assisted 218 14	,
Extremely Low (<30%)	39	25	37	101	Number of persons disable 25	
Low (31-50%)	22	23	23	68	Number of female head of households 42	
Moderate (51-80%)	17	17	15	49	Number of participants tha are veterans	3
Non-Low/ Moderate (+80%)						STATE OF THE PARTY.

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