

COUNTY OF SACRAMENTO
CALIFORNIA

APPROVED
BY RESOLUTION # 2008-060 3
BOARD OF SUPERVISORS

For the Agenda of:
June 3, 2008
10:15AM

JUN 03 2008
By *Cyrus Lee*
Clerk of the Board

To: Board of Supervisors
From: Sacramento Housing and Redevelopment Agency
Subject: County Of Sacramento Community Development Block Grant (CDBG) Program Mid-Year Action Plan Update; Cooperation Agreement With The Cities Of Folsom, Isleton, And Galt; And Consortium Agreement With The Cities Of Citrus Heights And Elk Grove

Supervisory District: All

Contact: Gregory H. Wessel, Assistant Director, Housing and Community Development 440-1346
Geoffrey M. Ross, Program Manager, 440-1357

Overview

This report de-funds and re-appropriates Community Development Block Grant (CDBG) funds as part of the mid-year budget adjustment process. Activities being de-funded are those that have been completed or cancelled. Newly funded activities are scheduled to be implemented and completed within the next 18 months to comply with federal regulations governing the timely expenditure of CDBG funds. This report also establishes new cooperation agreements with the Cities of Folsom, Isleton, and Galt and new consortium agreements with the Cities of Citrus Heights and Elk Grove.

Recommendations

Staff recommends the adoption of the attached resolution which:

1. authorizes the Sacramento Housing and Redevelopment Agency (Agency) to reprogram \$1,877,000 in unallocated capital reserve and previously approved CDBG activities that have been completed and/or cancelled;
2. authorizes the Agency to appropriate \$2,085,000 for new and continuing CDBG activities to be completed within the next 18 months, and amends the Agency budget accordingly;
3. amends various One-Year Action Plans governing the use of entitlement and revolving loan funds for various CDBG activities, and amends the Agency budget accordingly;
4. authorizes the Agency Interim Executive Director, or designee, to take such actions as required to execute cooperation agreements with the cities of Folsom, Isleton, and Galt to participate with the County of Sacramento in the CDBG and HOME Investment Partnership (HOME) programs for the three-year period beginning January 1, 2009 and ending December 31, 2011;
5. authorizes the Agency Interim Executive Director, or designee, to take such action as required to execute cooperation agreements with the cities of Citrus Heights and Elk Grove to participate with the County of Sacramento HOME Consortium for the three-year period beginning January 1, 2009 and ending December 31, 2011;
6. authorizes the Agency Interim Executive Director, or designee, to execute all necessary

agreements and contracts to carry out the recommended activities described in this report;
and

7. authorizes the County Executive to execute all necessary agreements and contracts to carry out the recommended activities described in this report.

Staff also requests that the County Clerk return one certified resolution to the Sacramento Housing and Redevelopment Agency.

Measures/Evaluation

The proposed de-funding and appropriation of funds for new and existing activities are consistent with the goals and objectives of the approved County of Sacramento's 2008-2012 Consolidated Plan. The proposed cooperation and consortium agreements are consistent with the goals and objectives of the approved County of Sacramento's 2008-2012 Consolidated Plan.

Fiscal Impact

The attached resolution authorizes the amendment of the 2008 Agency budget to defund CDBG cancelled and/or completed projects in the amount of \$1,877,000 and allocates the funds to capital reserve. It also amends various years' One-Year Action Plans to reflect augmentations in the amount of \$2,035,000, including \$158,000 of unanticipated program income, to new activities or previously funded activities which can be completed within 18 months as required by HUD. With these changes the capital reserve account is replenished to a more appropriate level of \$575,000 or approximately 9 percent of our annual allocation. The capital reserve was originally diminished due to the unanticipated additional two percent cut levied against the program as a result of the approved 2008 federal budget.

The cooperation agreements enable the County to continue funding eligible activities in the agreement cities. Annually, each city receives CDBG entitlement funds for eligible projects; the City's of Folsom and Galt receive \$200,000, while Isleton receives \$50,000. First-time homebuyers and other countywide programs, including housing programs funded with HOME, will also continue to be available to residents of the agreement cities.

The consortium agreements enable the County to continue funding eligible activities in the consortium cities. Annually, each city receives HOME funds for eligible projects. Each participating city in the HOME Consortium will be allowed access to the proportionate funding associated with their city, less 10 percent for administration of the program. In addition, HOME regulations require 15 percent of the HOME allocation be provided to approved Community Housing Development Organizations (CHDO). Participation in the HOME Consortium allows incorporated cities access to all SHRA programs funded by HOME in an amount up to their jurisdiction's contribution to the County Entitlement, as determined by HUD.

BACKGROUND

This report finalizes the County of Sacramento's 2008 One-Year Action Plan and recommends adjustments to the Agency budget, both of which were approved by the Board of Supervisors in 2007. This Action Plan will also update the County Consolidated Plan and revisions will be submitted to HUD. The Consolidated Plan is a five-year planning document covering the period of 2008-2012. The Consolidated Plan identifies the County's housing and community development needs and describes a long-term strategy for meeting those needs. In addition to providing a broad policy framework, the Consolidated Plan specifically addresses four federally-funded housing and community development programs: CDBG, HOME, Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). (HOPWA is funded through the City of Sacramento but serves both the City and County of Sacramento.)

This report recommends amending the 2008 One-Year Action Plan by de-funding cancelled and completed CDBG projects and/or programs, and funding new/existing projects and/or programs. This adjustment not only updates the Consolidated Plan but also facilitates timely expenditures, as required by HUD.

As part of the process by which the Sacramento County remains eligible as an Urban County for CDBG and HOME funding, it must offer its incorporated cities a choice of: 1) participating with the County in the CDBG program, with the Agency as the program administrator or 2) participating in the State of California Small Cities CDBG Program.

Cities that opt to continue as "agreement cities" enter into an agreement for a three-year period, under which they receive an annual allocation of CDBG funds to be spent on eligible projects at the City's direction. In addition, the cities remain eligible to receive countywide programs offered by the Agency such as First Time Homebuyers, Emergency Repair, Retrofit, and Single and Multi-Family rehabilitation. Finally, the Agency performs all of the required administrative work for the grants in exchange for the allowable administrative fee.

The Cities of Folsom, Isleton, and Galt have indicated a desire to continue cooperation agreements and participate with the County for the next three years. To formalize this relationship, federal regulations require the Agency, acting on behalf of the County, to submit to HUD executed cooperation agreements with these cities covering a period of three years: 2009, 2010, and 2011. These agreements will allow HUD to include these cities populations with that of the unincorporated county in computing Sacramento's annual urban county entitlement amount. The purpose of the agreement is to identify and secure a three-year commitment for participation in the urban county program, and to obligate these cities to cooperate in implementing all applicable federal rules required by sub-grantees.

Although the agreements do not guarantee funding for the cities, current Board-approved funding guidelines articulated within the 2008-2012 Consolidated Plan approved in October 2007 provides a portion of the County CDBG budget for Folsom, Isleton, and Galt. Funding for the Cities is based on an approximation of the amount of dollars that they could potentially receive if they were to be independent entitlements. Staff will work with all three cities to

develop essential and viable community development projects for their residents. Additionally, residents of the agreement cities will continue to participate in the CDBG-funded programs offered countywide. Under the current cooperation agreements the cities do not receive additional CDBG funds if they have more than two years' entitlement unspent as of September 1st of the previous year.

Under the HOME Consortium, cities that opt to continue as members of the consortium enter into an agreement for a three-year period. To formalize this relationship, federal regulations require SHRA, acting on behalf of the County, to submit to HUD executed cooperation agreements with these cities covering a period of three years: 2009, 2010, and 2011. The Cities of Citrus Heights and Elk Grove have indicated a desire to remain members of the consortium. The City of Rancho Cordova has notified both the Agency and HUD of its desire to not participate in the Consortium during this period. Each participating city is allowed access to the proportionate funding associated with their city, less 10 percent for administration of the program. In addition, HOME regulations require that 15 percent of the HOME allocation be provided to approved CHDOs.

Participation in the HOME Consortium allows incorporated cities access to all Agency programs funded by HOME, including multifamily construction, rehabilitation loans, and first-time homebuyer programs, in an amount up to their jurisdiction's contribution to the County Entitlement, as determined by HUD. Should a city wish to use its allocation of HOME funds for a non-Agency program, such as a city administered homebuyer program, that city and the Agency will enter into a subrecipient agreement. The sub recipient agreement will detail the use of the HOME funds and administrative responsibilities for both the city and Agency.

DISCUSSION

Staff recommends that previously approved CDBG appropriations presented in Attachment I be reprogrammed. Staff further recommends that the appropriations outlined in Attachment II be made available to activities that will be completed within the next 18 months. In addition, staff recommends the following changes to previous staff report narratives to accurately reflect previously authorized Agency budgets:

- add language regarding funds for the Courtland Library, approved in the 2008 One-Year Action Plan, are to provide for construction of two modular units to expand the Courtland Library facility from 1,365 square feet to 2,205 square feet, including all related construction costs required under County mandated site improvements; and
- strike language from the approved 2005 and 2006 One-Year Action Plans and all references to unrealized program income commitments from the 2224-2228 Auburn Boulevard Property proceeds obligated to the Arden Arcade Street Improvements for those years.

COMMISSION ACTION

The Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item at its May 21, 2008 meeting. Staff will brief the Board on the outcome of the vote at its June 3, 2008 meeting.

MEASURES/EVALUATIONS

The proposed de-funding and appropriation of funds for new and existing activities are consistent with the goals and objectives of the approved County of Sacramento's 2008-2012 Consolidated Plan. The cooperation and consortium agreements are consistent with the goals and objectives of the approved County of Sacramento's 2008-2012 Consolidated Plan. The Consolidated Plan goals include assisting low- and moderate-income persons and areas with the following: community services, housing, homeless facilities and services, public improvements and facilities, economic development, planning and administration.

FINANCIAL ANALYSIS

The attached resolution authorizes the execution of a new cooperation agreement with the cities of Folsom, Isleton, and Galt for the years of 2009, 2010, and 2011, allowing HUD to include these cities populations with that of the unincorporated county in computing Sacramento's annual urban county entitlement amount. The purpose of the agreement is to identify and secure a three-year commitment for participation in the urban county program, and to obligate these cities to cooperate in implementing all applicable federal rules required by sub-grantees. The agreements do not guarantee funding for the cities, but current Board-approved funding guidelines provide a portion of the County CDBG budget for Folsom, Isleton, and Galt. Additionally, residents of the agreement cities will continue to participate in the CDBG-funded programs offered countywide, including housing programs funded with HOME. Notably, agreement cities will not receive additional CDBG funds if they have more than two years' entitlement unspent as of September 1st of the previous year.

The attached resolution authorizes the execution of a new consortium agreements with the cities of Citrus Heights and Elk Grove for the years 2009, 2010, and 2011 allowing HUD to include these cities populations with that of the unincorporated county in computing Sacramento's HOME Consortium amount. The consortium agreements enable the County to continue funding eligible activities in the consortium agreement cities. Annually, each city receives HOME funds for eligible projects at an amount proportionate to their jurisdictions contribution to the County Entitlement, as determined by HUD, less 10 percent for administration of the program and the 15 percent required allocation for CHDOs.

The attached resolution authorizes the amendment of the 2008 Agency budget and various years' One-Year Action Plans to defund CDBG cancelled and/or completed projects in the amount of

\$1,877,000 and allocates the funds to capital reserve. The resolution also reallocates funds in the amount of \$2,035,000, including \$158,000 of unanticipated program income, to new activities or previously funded activities which can be completed within 18 months as required by HUD.

POLICY CONSIDERATIONS

The actions recommended in this report are consistent with previously approved policies and federal requirements.

ENVIRONMENTAL REVIEW

All new federally funded projects are subject to environmental review under the requirements of the National Environmental Policy Act (NEPA) and per HUD regulations prior to any commitment of federal funds for expenditure, unless they are exempt from such review. Commitment of funding for new projects that could result in a direct or indirect physical change to the environment are also subject to environmental review under the California Environmental Quality Act (CEQA), if implementation of the projects is authorized as part of the budgeting process. Many of the 2008 One-Year Action Plan new projects are exempt or categorically excluded from environmental review under CEQA and NEPA. Those projects that are not exempt or not yet defined are approved subject to: (1) confirmation that the project to be funded is categorically excluded under NEPA per 24 CODE of Federal Regulation (CFR) Part 58 and exempt under the CEQA guidelines prior to project implementation; or (2) appropriate environmental review prior to project implementation.

M/WBE CONSIDERATIONS

The Agency's Minority and Women's Business Enterprise Program policy will be applied to all activities to the extent required by federal funding.

Respectfully submitted,

APPROVED

LA SHELLE DOZIER
Interim Executive Director
Sacramento Housing and Redevelopment Agency

TERRY SCHUTTEN
County Executive

Attachments:

RES – CDBG Mid Year Amendment BOS

ATT I – Project and Program Defunding

ATT II – 2008 County One Year Action Plan activities

RESOLUTION NO. 2008-0603

**ADOPTED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF
SACRAMENTO**

ON DATE OF
JUNE 3, 2008

**AMENDMENT TO THE COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG), HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM AND VARIOUS
YEARS' ACTION PLANS; AGREEMENTS WITH THE CITIES OF FOLSOM,
ISLETON, AND GALT TO PARTICIPATE WITH THE COUNTY IN THE CDBG AND
HOME PROGRAMS FROM JANUARY 1, 2009 TO DECEMBER 31, 2011; AND
CONSORTIUM AGREEMENTS WITH THE CITIES OF CITRUS HEIGHTS AND ELK
GROVE FOR THE HOME PROGRAM FROM JANUARY 1, 2009 TO
DECEMBER 31, 2011.**

WHEREAS, On October 23, 2007, the County of Sacramento Board of Supervisors approved the 2008-2012 Consolidated Plan; and

WHEREAS, On October 23, 2007, the County of Sacramento Board of Supervisors approved the 2008 One-Year Action Plan; and

WHEREAS, the U.S. Department of Housing and Urban Development requires adoption of an annual Action Plan, consistent with the five year Consolidated Plan, to identify the programs and projects for expenditure of federal Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), American Dream Downpayment Initiative (ADDI), and Emergency Shelter Grant (ESG) programs; and

WHEREAS, a duly noticed public hearing was held on June 3, 2008; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO:

Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. The Sacramento Housing and Redevelopment Agency (Agency) is authorized to amend the County Community Development Block Grant (CDBG) Action Plans and the Agency Budget as follows:

- Reallocate \$35,000.00 from 2004 Auburn Boulevard Streetscape Improvements to Capital Reserve.

- Reallocate \$79,000 from 2005 Auburn Boulevard Streetscape Improvements to Capital Reserve.
- Reallocate \$600,000 from 2007 Auburn Boulevard Streetscape Improvements to Capital Reserve.
- Reallocate \$553,000 from 2008 Auburn Boulevard Streetscape Improvements to Capital Reserve.
- Reallocate \$200,000 from 2008 Orangevale Avenue Sidewalk Improvements to Capital Reserve.
- Reallocate \$50,000 from 2008 Hamilton Street Fence to Capital Reserve.
- Reallocate \$360,000 from 2008 Single-Family Rehabilitation Program to Capital Reserve.
- Reallocate \$1,500,000 from Capital Reserve to 2008 Arden Arcade ADA Ramps.
- Reallocate \$50,000 from Capital Reserve to 2008 Dangerous Building Demolition.
- Reallocate \$80,000 from Capital Reserve to 2008 South of Florin Area (SOFA) Study.
- Reallocate \$50,000 from Capital Reserve to 2008 Bacchini Planning Study.
- Reallocate \$45,000 from Capital Reserve to 2008 Enterprise Zone.
- Reallocate \$360,000 from Capital Reserve to 2008 First-Time Homebuyer Program.

Section 3. The Agency is authorized to amend the various One-Year Action Plans governing the use of entitlement funds from the Community Development Block Grant (CDBG) and Housing Investment Partnership (HOME) programs to reflect the foregoing changes.

Section 4. The Agency is authorized to amend the Agency budget to reallocate funds for previously approved CDBG activities and to include the new CDBG appropriations referenced above.

Section 5. The Agency is authorized to execute all necessary agreements and contracts to carry out the recommended activities described in this report, each in a form approved by Agency counsel.

Section 6. The Agency is hereby authorized and directed to execute cooperation agreements, on behalf of the County of Sacramento, with the Cities of Folsom, Isleton, and Galt to participate in the Community Development Block Grant and HOME Investment Partnership programs for the three-year period beginning January 1, 2009 and ending December 31, 2011.

Section 7. The Agency is hereby authorized and directed to execute consortium agreements, on behalf of the County of Sacramento with the Cities of Citrus Heights and Elk

Grove to participate in the HOME Investment Partnership program for the three-year period beginning January 1, 2009 and ending December 31, 2011.

Section 8. The County Executive is authorized to execute all necessary agreements and contracts to carry out the recommended activities described in this report, each in a form approved by Agency counsel.

On a motion by Supervisor Nottoli, seconded by Supervisor MacGlashan, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California this 3rd day of June, 2008, by the following vote, to wit:

AYES: Supervisors, Dickinson, MacGlashan, Nottoli, Peters, Yee

NOES: Supervisors, None

ABSENT: Supervisors, None

ABSTAIN: Supervisors, None



IN ACCORDANCE WITH SECTION 25103 OF THE GOVERNMENT CODE OF THE STATE OF CALIFORNIA A COPY OF THE DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD OF SUPERVISORS, COUNTY OF SACRAMENTO ON 6/3/08

By V. Rodgers
Deputy Clerk, Board of Supervisors

James R. Yee
Chair, Board of Supervisors
of Sacramento County, California

FILED
BOARD OF SUPERVISORS

JUN 03 2008
BY Cyril Lee
CLERK OF THE BOARD

ATTEST: Sandra Burnett
Clerk, Board of Supervisors

**County of Sacramento
Defunded Activities for Various Years' Action Plan**

Activities being defunded are those that have been completed, cancelled or funded through alternative sources. Newly funded activities are scheduled to be implemented and completed by December 31, 2009 to comply with federal regulations governing the timely expenditure of funds.

Recommendation	Amount	
2004 Auburn Boulevard Streetscape Improvements (District 3): Provide design fees and costs of various streetscape improvements along Auburn Boulevard. Master Plan activity is complete for this project. Staff recommends remainder of funds be reallocated to Capital Reserve.	\$35,000	CDBG
2005 Auburn Boulevard Streetscape Improvements (District 3): Provide design costs and streetscape improvements along Auburn Boulevard. Construction of streetscape improvements to be determined by Auburn Boulevard Master Plan. Project not ready to proceed. Staff recommends remainder of funds be reallocated to Capital Reserve.	\$79,000	CDBG
2007 Auburn Boulevard Master Plan and Streetscape Improvements (District 3): Provide implementation of streetscape improvements along Auburn Boulevard. Construction of streetscape improvements to be determined through Auburn Boulevard Master Plan and Transportation study. Project not ready to proceed. Staff recommends funds be reallocated to Capital Reserve.	\$600,000	CDBG
2008 Auburn Boulevard Streetscape Improvements (District 3): Project funds for construction of streetscape improvements along Auburn Boulevard. Project activity uses are being identified through final Master Plan and Transportation study. Project not ready to proceed. Staff recommends funds be reallocated to Capital Reserve.	\$553,000	CDBG
2008 Orangevale Avenue Sidewalk Improvements (District 4): Project funds for construction of pedestrian improvements along Main Avenue. Design plans and specifications for full pedestrian improvements will be used with CDBG funds. Project not ready to proceed. Staff recommends remainder of funds to be reallocated to Capital Reserve.	\$200,000	CDBG
2008 Hamilton Street Fence (District 1): Project funds for	\$50,000	CDBG

construction and installation of safety improvements near Magpie Creek. Project not ready to proceed. Staff recommends funds be reallocated to Capital Reserve.		
2008 Single-Family Rehabilitation Program: Project funds for rehabilitation loans up to \$50,000 to owner-occupant low- and moderate-income homeowners. Program is sufficiently funded using other funding source. CDBG staff recommends reallocating funds to Capital Reserve.	\$360,000	CDBG
Total	\$1,877,000	

**County of Sacramento
Amendment to 2008 Action Plan Activities**

This report formally amends the 2008 Action Plan by augmenting existing and new projects with CDBG. These activities have been identified as those that need immediate funding. Also, these adjustments will facilitate timely expenditures as required by HUD.

INFRASTRUCTURE AND PUBLIC IMPROVEMENTS

2008 Arden Arcade ADA Ramps (District 3): Project funds for design and construction, including costs incidental to project installation of ADA curb cuts/ramps at various locations in the Arden Arcade area.	\$1,500,000	CDBG
2008 Dangerous Building Demolition (District 1): Project funds to demolish a County-owned dangerous building near Dry Creek that has been vacant and boarded.	\$50,000	CDBG
Sub-Total	\$1,550,000	

PLANNING AND ADMINISTRATION

2008 South of Florin Area (SOFA) Study (District 5): Project funds for design costs of a study and planning initiative to evaluate community build-out alternatives, site alternative configuration, and development concepts from Florin Road to the north to city/county boundary, to just past Stockton Boulevard (east) – Freeway (to the west).	\$80,000	CDBG
2008 Bacchini Planning Study (District 2 and 5): Project funds for design costs and a study for a planning initiative to evaluate community build-out alternatives, site alternative configuration, and development concepts of a 130 acres near Florin Road from Power Inn to the Union/Pacific railroad tracks.	\$50,000	CDBG
2008 Enterprise Zone (District 2 and 5): Project funds for planning costs associated with the creation of the Southern Sacramento Enterprise Zone, combining the Florin Perkins and Army Depot zones.	\$45,000	CDBG
Sub-Total	\$175,000	

HOUSING

2008 First Time Home-buyer Program: Project funds Provides up to \$40,000 in down payment, closing costs, homeownership education and counseling to income eligible first-time homebuyers.	\$360,000	CDBG
Sub-Total	\$360,000	
Total	\$2,035,000	