

APPROVED
 BY RESOLUTION# *2009-0426*
 BOARD OF SUPERVISORS COUNTY OF SACRAMENTO

JUN 02 2009

CALIFORNIA

By *Cyril Lee*
 Clerk of the Board

For the Agenda of:
 June 2, 2009
 10:15 am

To: Sacramento County Board of Supervisors

From: Sacramento Housing and Redevelopment Agency

Subject: 2009 Community Development Block Grant – R Program And Substantial Amendments To The 2008-2012 Consolidated Plan And 2009 Action Plan

Supervisorial
 District: All

Contact: Lisa Bates, SHRA Deputy Executive Director, 440-1319
 Geoffrey Ross, SHRA Program Manager, 440-1322

Overview

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA), which includes \$1 billion in one-time additional funding for Recovery activities as part of the Community Development Block Grant program (CDBG-R). The CDBG-R funds are being distributed based on the formula used for the annual entitlement program. The County of Sacramento's allocation is \$1,567,415. This report outlines the proposed distribution of those funds.

Recommendations

Staff recommends adoption of various resolutions in which:

- on behalf of the County of Sacramento, the Sacramento Housing and Redevelopment Agency (Agency) is authorized to submit the CDBG-R application and Substantial Amendment to the U.S. Department of Housing and Urban Development (HUD), and amend the 2008-2012 Consolidated Plan and the 2009 Action Plan;
- approve the CDBG-R Program as presented and described in the attached Substantial Amendment;
- on behalf of the County of Sacramento, the Agency is authorized to accept the federal allocation for the CDBG-R Program and to expend funds pursuant to funding requirements;
- approve the environmental findings;
- authorizes the Agency to allocate \$1,332,415 of CDBG-R funds for the 2008 Auburn Boulevard Streetscape project for a continuing CDBG activity to be completed by September 30, 2012;
- authorizes the Agency to allocate \$235,000 of the CDBG-R funds for Homeless Prevention activities;

- authorizes the Agency's Executive Director, or designee, to execute all necessary agreements and contracts to carry out the recommended CDBG-R activities described in this report

The Clerk of the Board is requested to certify one copy of the resolution and forward it to the Sacramento Housing and Redevelopment Agency.

Measures/Evaluation

The recommended actions in this staff report are consistent with goals and objectives of the approved County of Sacramento 2008-2012 Consolidated Plan and 2009 Action Plan.

Fiscal Impact

This report recommends accepting \$1,567,415 from the Recovery Act for the CDBG-R Program and amending the Agency budget to accept the federal funds.

This report also recommends allocating funds to the following CDBG-R activities, and amending Agency's budget accordingly:

- \$1,332,415 in CDBG-R funds to the 2008 Auburn Boulevard Streetscape project,
- \$235,000 in CDBG-R funds to the Homeless Prevention Activities

BACKGROUND

The American Recovery and Reinvestment Act of 2009 (ARRA) includes significant one-time funding of \$1 billion for Recovery activities under the Community Development Block Grant Program (CDBG-R). Funding will be distributed to entitlement cities, counties, and states using the existing Community Development Block Grant formula. In Sacramento County, almost \$3.1 million will be allocated, as follows:

City of Sacramento	\$1,553,219
County of Sacramento	\$1,567,415.

HUD's Process

Eligible grantees must submit a Substantial Amendment to the jurisdiction's Action Plan, which further amends the Consolidated Plan, to HUD no later than June 5, 2009. The Substantial Amendment will outline the activities the jurisdiction proposes to undertake with the CDBG-R funds to address priority needs and objectives. Attachment I contains the Substantial Amendment. HUD will notify grantees no later than July 20, 2009 of approval or disapproval of the Amendment.

Under the Recovery Act, recipients shall give priority to projects that can award contracts based on bids within 120 days of the grant agreement. One-hundred percent of the funds (\$1.56

million) must be spent by September 30, 2012. HUD will recapture and reallocate funds from communities not in compliance.

Community Outreach

HUD reduced the normal public comment period from 30 days to 7 days. A notice was published in the *Sacramento Bee* and *Daily Recorder* as well as on the Sacramento Housing and Redevelopment Agency (SHRA) web site on May 19, 2009. The notice requested public comments and provided notification of the date and time of the public hearing.

Public comments and responses have been summarized and are included within Attachment I – Substantial Amendment.

Proposed Activities

The Auburn Boulevard Streetscape project is an existing project supported with annual CDBG entitlement funds. CDBG-R is intended to invest in transportation and/or other infrastructure projects that will provide a long-term economic benefit. CDBG-R specifically recommends grantees identify activities previously approved to receive funding from its regular 2009 CDBG allocation and consider whether activities could be accelerated by being funded with CDBG-R. The Auburn Boulevard project meets this requirement.

On May 13, 2009 the County Board of Supervisors approved homeless prevention activities to proactively address the needs of those directly affected by the recession. Under the guidelines of CDBG-R, 15 percent of the funds can be used for public service activities. It is proposed that \$235,000 in CDBG-R public service dollars be used to support homeless prevention activities.

DISCUSSION

As a condition of funding, HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that are: a) preserving and creating jobs and promoting economic recovery; b) assisting those most impacted by the recession; c) providing investment needed to increase economic efficiency; d) investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits; e) minimizing or avoiding reductions in essential services; or f) fostering energy independence.

The Auburn Boulevard Streetscape project meets the intent of CDBG-R funds for hard development costs that invest in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits. Streetscape improvements will be expedited by the use of CDBG-R funds and will help continue to reposition Auburn Boulevard as a desirable location for new businesses to relocate as well as foster a more pedestrian and bike friendly thoroughfare in a low- and moderate-income area.

Homeless prevention activities meet the intent of the CDBG-R funds by utilizing the public service component to assist those most impacted by the recession. CDBG-R public service

funds provide an additional opportunity for longer lasting system improvements, shifting from a system organized around shelter to one centered on prevention and housing stability. HUD encourages a coordinated process with central intake and community wide tools to assess the individual's risk of homelessness and housing needs.

To expedite the dispersal of funds, HUD shortened their normal approval process. HUD released the regulations on Wednesday, May 6, 2009 and requires all Substantial Amendments to be submitted by Friday, June 5, 2009. Accordingly, the citizen participation process was shortened to seven days.

COMMISSION ACTION

It is anticipated that, at its meeting on May 20, 2009, the Sacramento Housing and Redevelopment Commission will approve this item. In the event that they do not, staff will notify the Board on June 2, 2009.

MEASURES/EVALUATIONS

The proposed appropriations of the CDBG-R funds for new and existing activities are consistent with the goals and objectives of the approved County of Sacramento's 2008-2012 Consolidated Plan and Substantial Amendments. 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

This report recommends accepting the federal allocation of \$1,567,415 for the CDBG-R Program and amendment of the Agency budget.

This report also recommends allocating CDBG-R funds and amending the Agency budget as follows:

- \$1,332,415 in CDBG-R funds to the 2008 Auburn Boulevard Streetscape project,
- \$235,000 in CDBG-R funds to the Homeless Prevention Activities

POLICY CONSIDERATIONS

The recommended actions in this staff report are consistent with the 2008-12 Consolidated Plan adopted October 23, 2007, the 2009 One-Year Action plan adopted October 21, 2008, and the Homeless Prevention and Rapid Re-Housing Program adopted May 13, 2009.

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.

Existing Project

The 2008 Auburn Boulevard Streetscape project is exempt per NEPA 58.34 (a)(8) and CEQA per Guidelines Sections 15262.

Homeless prevention activities pursuant to the Homeless Prevention and Rapid Re-Housing Program are exempt per NEPA 58.34(a)(2)(3)(4), categorically excluded per 58.35(b)(1) and CEQA per Guidelines 15301 and 15378(b)(5).

M/WBE CONSIDERATIONS

Minority and Women’s Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that funding.

Respectfully submitted,

APPROVED

LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

TERRY SCHUTTEN
County Executive

Attachments:

- RES – County BOS Resolution
- ATT I – Substantial Amendment
- ATT II – Location Map

RESOLUTION NO. 2009-0426

APPROVAL AND IMPLEMENTATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT-R PROGRAM OF THE RECOVERY ACT; SUBSTANTIAL AMENDMENT TO THE 2008-2012 CONSOLIDATED PLAN; AMENDMENT TO THE 2009 ACTION PLAN AND AMENDMENT OF THE AGENCY BUDGET

WHEREAS, on October 23, 2007, the Sacramento County Board of Supervisors approved the 2008-2012 Consolidated Plan. The Consolidated Plan identifies the County's housing, community development, and homeless needs, and describes the long-term strategy for meeting those needs. In addition, it specifically addresses federally funded housing and community development programs; and

WHEREAS, On October 21, 2008, the County of Sacramento Board of Supervisors approved the 2008 One-Year Action Plan; and

WHEREAS, on February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (Recovery Act), which includes \$1 billion for Community Development Block Grant availability for recovery activities and referred to the new program as "Community Development Block Grant Program (CDBG-R)"; and

WHEREAS, HUD released the formula and regulations for the CDBG-R Program on May 6, 2009, and a Substantial Amendment to the 2009 Action Plan, which further amends the 2008 – 2012 Consolidated Plan for CDBG-R funding is to be submitted to HUD no later than June 5, 2009 and approved by HUD no later than July 20, 2009; and

WHEREAS, on June 2, 2009, a noticed public hearing was held, soliciting comments to the amended 2009 Action Plan and the Substantial Amendment for CDBG-R Program and its submission; and

WHEREAS, 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.

WHEREAS, The 2008 Auburn Boulevard Streetscape project is exempt per NEPA 58.34 (a)(8) and CEQA per Guidelines Sections 15262 and Homeless prevention activities pursuant to the Homeless Prevention and Rapid Re-Housing Program are exempt per NEPA 58.34(a)(2)(3)(4), categorically excluded per 58.35(b)(1) and CEQA per Guidelines 15301 and 15378(b)(5).

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

Section 1: After due consideration of the facts presented, the findings, including the environmental findings regarding this action, as stated in the report that accompanies this resolution, the following activities are approved.

Section 2: On behalf of the County of Sacramento, the Sacramento Housing and Redevelopment Agency (Agency) is authorized to submit the CDBG-R application and Substantial Amendment to the U.S. Department of Housing and Urban Development (HUD), and authorized to amend the 2008-2012 Consolidated Plan and 2009 Action Plan.

Section 3: The CDBG-R Program as presented and described in the attached report and Substantial Amendment are approved.

Section 4: On behalf of the County of Sacramento, the Agency is authorized to accept the federal allocation for the CDBG-R Program and to expend funds pursuant to funding requirements.

Section 5: On behalf of the County of Sacramento, the Agency is authorized to administer funds and implement the CDBG-R Program, to amend the Agency budget as follows:

- Allocate \$1,332,415 of CDBG-R funds to the 2008 Auburn Boulevard Streetscape project.
- Allocate \$235,000 of CDBG-R funds to the Homeless Prevention activities.

Section 6: 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 7: 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 County Counsel.

On a motion by Supervisor Peters, seconded by Supervisor Yee, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 2nd day of June 2009, by the following vote, to wit:

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

NOES: Supervisors, None

ABSENT: Supervisors, None

ABSTAIN: Supervisors, None



Chair, Board of Supervisors
of Sacramento County, California

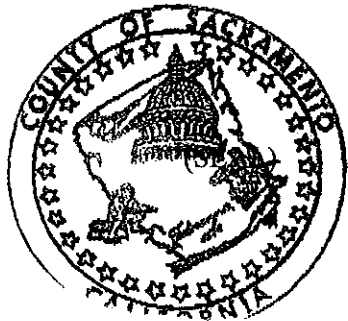
FILED
BOARD OF SUPERVISORS

JUN 02 2009

BY Cyndi Lee
CLERK OF THE BOARD

In accordance with Section 26105 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 6-2-09

By Kevin Corso
Deputy Clerk, Board of Supervisors



ATTEST:

Cyndi Lee
Clerk, Board of Supervisors

**Substantial Amendment to the Consolidated Plan 2009 Action Plan for
Community Development Block Grant – R Funding**

County of Sacramento

ATT I

A. General Information

Grantee Name	County of Sacramento
CDBG-R Contact Person	Geoffrey Ross
Title	Program Manager, Housing & Community Development
Address Line 1	Sacramento Housing and Redevelopment Agency
Address Line 2	630 I Street
City, State, Zip Code	Sacramento, CA 95814
Telephone	916.440.1322
Fax	916.447.2261
Email Address	gross@shra.org
Authorized Official (if different from Contact Person)	La Shelle Dozier
Title	Executive Director
Address Line 1	Sacramento Housing and Redevelopment Agency
Address Line 2	630 I Street
City, State, Zip Code	Sacramento, CA 95814
Telephone	916.440.1319
Fax	
Email Address	
Web Address where this Form is Posted	www.shra.org

CDBG-R Amount	\$1,567,415
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**Substantial Amendment to the Consolidated Plan 2009 Action Plan for the
Community Development Block Grant – R Funding
County of Sacramento**

B. Citizen Participation and Public Comment

1. Briefly describe how the grantee followed its citizen participation plan regarding this proposed Substantial Amendment (limit 250 words).

The U.S. Department of Housing and Urban Development (HUD) released the regulations for the American Recovery and Reinvestment Act of 2009 (ARRA) containing significant one-time funding of \$1 billion for the Community Development Block Grant Program for Recovery activities (CDBG-R) on Wednesday, May 6, 2009. The regulations require grantees to submit a Substantial Amendment to their Action Plan that further amends the Consolidated Plan to the local HUD field office no later than Friday, June 5, 2009. The Substantial Amendment outlines the Recovery activities the jurisdiction will undertake with the CDBG-R funds to address priority needs and objectives. HUD will notify grantees no later than July 20, 2009 of approval or disapproval of the Amendment.

To expedite the process and to ensure CDBG-R grants are awarded in a timely manner, while preserving a reasonable citizen participation process, HUD reduced the normal public comment period from 30 days to 7 days. Draft copies of the Substantial Amendment to the 2009 Action Plan which further amends the 2008-12 Consolidated Plan detailing the proposed Recovery activities under the CDBG-R Program are displayed for public comment on the Sacramento Housing and Redevelopment Agency (SHRA) web site located at www.shra.org. The public notice was published in the Sacramento Bee and Daily Recorder on May 19, 2009, seven days prior to the scheduled public hearing on Tuesday, June 2, 2009, at 10:00 a.m. Public comments are also received by SHRA's Housing and Community Development Department.

2. Provide the appropriate response regarding this Substantial Amendment by checking one of the following options:

- Grantee did not receive public comments.
- Grantee received and accepted all public comments.
- Grantee received public comments and did not accept one or more of the comments.

3. Provide a summary of the public comments regarding this Substantial Amendment. Include a summary of any comments or views not accepted and the reasons for non-acceptance.

No comments received to date.

**Substantial Amendment to the Consolidated Plan 2009 Action Plan for the
Community Development Block Grant – R Funding
County of Sacramento**

C. Use of CDBG-R Funds

1. Description of Activities to be undertaken with CDBG-R funds:

Homeless Prevention

Under the guidelines of CDBG-R, 15 percent of the funds can be used for public service activities. In accordance with the 2008-12 Consolidated Plan goals and per the CDBG-R guidelines, it is proposed that \$235,000 in CDBG-R public service dollars be used to support homeless prevention activities.

On May 13, 2009 the County Board of Supervisors approved homeless prevention activities under the Homeless Prevention and Rapid Re-Housing Program (HPRP) Substantial Amendment to the 2009 Action Plan and 2008-12 Consolidated Plan to address the need to take proactive steps to assist those directly affected by the recession.

According to the current 2008-12 Consolidated Plan and the 2009 Action Plan all existing funds, public and private, will continue to be utilized for the jurisdiction's current and proposed Continuum of Care programs. Any new funding will be directed to accomplish the proposed goals of the Ten-Year Plan to End Chronic Homelessness as appropriate.

In the County of Sacramento twenty (20) private and public agencies offer homeless prevention services that include mortgage assistance, rental assistance, and utility assistance. Many more private and public agencies within the county offer counseling and advocacy services to assist individuals and families at risk of becoming homeless. The funding for these services come from a combination of Federal, state, local, and private sources.

Infrastructure Improvements

As a condition of funding, HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities. In accordance with the 2008-12 Consolidated Plan goals and the intent of CDBG-R program, it is proposed that:

- \$1,332,415 in CDBG-R funds to the 2008 Auburn Boulevard Streetscape project to expedite the design and construction of infrastructure and road improvements.

The Auburn Boulevard Streetscape project is an existing project supported with annual CDBG entitlement funds. CDBG-R is intended to invest in transportation and/or other infrastructure projects that will provide a long-term economic benefit. CDBG-R specifically recommends grantees identify activities previously approved to receive funding from its regular 2009 CDBG allocation and consider whether activities could be accelerated by being funded with CDBG-R. The Auburn Boulevard project meets this requirement.

**Substantial Amendment to the Consolidated Plan 2009 Action Plan for the
Community Development Block Grant – R Funding
County of Sacramento**

The Auburn Boulevard Streetscape project meets the intent of CDBG-R funds for hard development costs that invest in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits. Streetscape improvements expedited by the use of CDBG-R funds will continue to reposition Auburn Boulevard for new businesses to relocate as well as foster a more pedestrian and bike friendly thoroughfare in a low- and moderate-income area.

2. Description of how the distribution and uses of CDBG-R funds will meet the requirement of Title XXII of Division A and Section 1602 of the Recovery Act:

Under ARRA, recipients shall give priority to projects that can award contracts based on bids within 120 days of the grant agreement. One hundred percent of the funds (\$1.55 million) must be spent by September 30, 2012. CDBG-R is intended to invest in economic development, housing, infrastructure and other public facility activities that will quickly spur further economic investment, increased energy efficiency, and job creation or retention, as well as provide a long-term economic benefit. CDBG-R specifically recommends grantees identify activities previously approved to receive funding and consider whether activities could be accelerated by being funded with CDBG-R. The projects listed above are consistent with the goals and objectives of both ARRA and the approved City of Sacramento 2008-12 Consolidated Plan.

3. Description of how the use of CDBG-R funds for the activities will maximize job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act by: preserving and creating jobs and promoting economic recovery; assisting those most impacted by the recession; providing investment needed to increase economic efficiency; investing in transportation, environmental protection or other infrastructure that will provide long-term economic benefits; or fostering energy independence.

The Auburn Boulevard Streetscape project uses CDBG-R funds to preserve and create jobs in the building/construction industry, which is particularly impacted by the economic recession, by expediting the development of a catalyst project integral to the success of larger area. Such a catalyst project both directly employs individuals and will lead to future employment as development continues and new businesses and residents move into the project area.

The Auburn Boulevard Streetscape project provides investments needed to increase economic efficiency and investments in transportation that will provide long-term economic benefits. Streetscape projects typically also create additional benefits of improved mobility, which reduce travel time for commutes, reduce congestion by providing an opportunity for alternative modes of transit that equate to less energy use and air pollution.

Homeless prevention activities meet the intent of the CDBG-R funds by utilizing the public service component to assist those most impacted by the recession.

**Substantial Amendment to the Consolidated Plan 2009 Action Plan for the
Community Development Block Grant – R Funding**

County of Sacramento

CDBG-R public service funds provide an additional opportunity for longer lasting system improvements, shifting from a system organized around shelter to one centered on prevention and housing stability. HUD encourages a coordinated process with central intake and community wide tools to assess the individual's risk of homelessness and housing needs.

4. Description of the activities that will be carried out with CDBG-R funds that promote energy conservation, smart growth, green building technologies or reduced pollution emissions:

The Auburn Boulevard Streetscape project meets the intent of CDBG-R funds by expediting the process installing needed infrastructure improvements that will reposition Auburn Boulevard for new businesses to relocate as well as foster a more pedestrian and bike friendly thoroughfare in a low- and moderate-income area.



Auburn Boulevard Streetscape

