



AGENCY:	City Council
MEETING DATE:	December 10, 2018
DEPARTMENT:	Community Development
PRESENTED BY:	N. McLaughlin
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## AGENDA ITEM SUMMARY

### **TITLE:**

**Receive Report and Consider Adoption of City Council Resolution Approving a Professional Services Agreement and Sub-recipient Agreement with Community Development Commission of Mendocino County dba CDC to Assist with Administering the HOME Owner-Occupied Rehabilitation Loan Program with 16-HOME-111373 Grant Funds and Authorizing City Manager to Execute Same (Amount Not to Exceed: \$76,000; Account No. 326-5010-0632)**

### **ISSUE:**

On January 23, 2017, City Council adopted Resolution No. 3975-2017 approving submittal of the City's 2016 Home Investment Partnerships Program (HOME) application #16-CDBG-111373. The City was awarded \$500,000 from the 2016 HOME grant to provide an Owner Occupied Rehabilitation (OOR) loan program. Pursuant to the HOME grant Standard Agreement and grant application, the City identified the Community Development Commission of Mendocino County (CDC) as the administrative sub-recipient to assist in performing the duties outlined in the application.

### **ANALYSIS:**

The City received notification in late July 2017 of a grant award of \$500,000 from the 2016 HOME allocation. This program will assist as many as seven low-income homeowners to rehabilitate their residences to address health, safety and code defiance-related repairs. As described in the grant application, the Program is comprised of the following components:

- Up to \$370,500 for loans
- Up to \$117,000 for program operation
- Up to \$12,500 for general administration

The City's prior HOME grant funding from 2013 included the same components as are funded in the 2016 grant. The City looks forward to continuing to provide rehabilitation services to low-income homeowners in the City of Fort Bragg. However, the City has learned from prior owner-occupied rehabilitation program experience that local administrative service assistance is crucial to program success. The City has experienced difficulty in procuring program operators who can provide adequate local service. The City was pleased to have forged a relationship with the CDC as they are a highly experienced HOME program operator. The CDC can provide the local hands-on services that lead to program success.

CDC is the county housing authority and operates a number of housing programs within city limits. They also own and manage many housing units throughout the city. CDC staff are regularly in Fort Bragg actively working on housing related projects and programs. CDC specializes in providing HOME program administration; environmental review; work write ups and cost estimates; loan underwriting and loan committee presentations; provisions of program data; and preparation of HOME set-up and completion and fund reimbursements. CDC is familiar with the state and federal regulations that are triggered by the program and are confident in performing such duties.

The Sub-recipient Agreement is the preferred form of agreement by HOME for identified sub-recipients. The Sub-recipient agreement calls out the requirements and regulations that are specific

to the HOME program. This includes state and federal overlays specific to the program. Execution of a Sub-recipient Agreement and Professional Services agreement will meet the requirements of HOME.

There is sufficient program operation and general administration funds from the 2016 HOME award to fully cover the costs of the agreement with the CDC.

**RECOMMENDED ACTION:**

Adopt City Council Resolution Approving a Professional Services Agreement with Community Development Commission of Mendocino County (CDC) for Program Operator Services for the HOME Owner Occupied Rehabilitation Program and Authorizing City Manager to Execute Same (Amount Not to Exceed \$76,000; Account No. 326-5010-0632)

**ALTERNATIVE ACTION(S):**

1. Do not adopt the Resolution approving Professional Service Agreement or Sub-recipient Agreement. The program cannot proceed without the agreements.
2. Make changes to the draft Professional Services Agreement. This would delay program implementation.

**FISCAL IMPACT:**

Approval of Professional Services Agreement and Sub-recipient Agreement fulfills one of the requirements as outlined in the application. The project will improve up to seven homes within City limits. If this Project is not implemented, the City may be required to return awarded and unexpended grant funds to the state. This could directly affect the City's ability to compete for future grants. The City is allowed to use Program Operation and General Administration funding from any open HOME grant to assist with program management, and there is adequate Program Operation and General Administration funding available to cover staff costs for these activities after execution of the CDC agreement.

**IMPLEMENTATION/TIMEFRAMES:**

The program is expected to be completed by July 31, 2020.

**ATTACHMENTS:**

1. Resolution
2. Professional Services Agreement
3. Sub-recipient Agreement

**NOTIFICATION:**

1. Todd Crabtree, Executive Director, Community Development Commission of Mendocino County