A Tradition of Stewardship
A Commitment to Service

Agenda Date: 12/15/2020
Agenda Placement: 6T

NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO:	Board of Supervisors
FROM:	Molly Rattigan - Deputy County Executive Officer Housing and Homeless Services
REPORT BY:	Molly Rattigan, Deputy County Executive Officer - 253-4112
SUBJECT:	Community Development Block Grant Funding

RECOMMENDATION

Director of Housing and Homeless Services requests adoption of a resolution approving an application in the amount of $420,094 for Community Development Block Grant-Disaster Recovery funds to replace affordable housing lost as a result of the 2017 wildfires and authorizing the Director of Housing and Homeless Services to sign all future grant documents.

EXECUTIVE SUMMARY

In October 2017, Napa County was significantly damaged by wildfires, especially in the 94558 zip code. As a result of these fires, the President declared a major disaster for Napa County. In response to this and other 2017 and 2018 disasters, the United States Department of Housing and Urban Development (HUD) allocated Community Development Block Grant Disaster Recovery (CDBG-DR) funding to the State of California to address unmet recovery needs.

As part of the State's recovery plan, it launched the Disaster Recovery Multifamily Housing Program (DR-MHP) to address unmet housing needs from the disaster which resulted in the State has allocated $420,094 to the County. Of these funds, 99% must be spent on housing in the 94558 zip code, which the State has identified as a Most Impacted and Distressed (MID) area.

Today's action will approve a resolution authorizing the applicant for these funds to be distributed through a Request for Proposal (RFP) process. Napa County will partner with City of Napa on this process.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Community Development Block Grant Funds
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This item is discretionary in that there is no mandate to accept these funds. These funds are available to Napa County to help with the recovery of affordable housing following the 2017 wildfires.
Is the general fund affected?	Yes
Future fiscal impact:	Appropriations will be budgeted accordingly in future fiscal years.
Consequences if not approved:	If this item is not approved, the County will not have access to these funds that will help replace affordable housing lost during the 2017 wildfires.
County Strategic Plan pillar addressed:	Healthy, Safe, and Welcoming Place to Live, Work, and Visit
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In October 2017, Napa County was significantly damaged by wildfires, especially in the 94558 zip code. As a result of these fires, the President declared a major disaster for Napa County. In response to this and other 2017 and 2018 disasters, the United States Department of Housing and Urban Development (HUD) allocated Community Development Block Grant Disaster Recovery (CDBG-DR) funding to the State of California to address unmet recovery needs.

As part of the State's recovery plan, it launched the Disaster Recovery Multifamily Housing Program (DR-MHP) to address unmet housing needs from the disaster which resulted in the State has allocated $420,094 to the County and $2,889,774 in CDBG-DR for the creation of affordable multifamily housing to the City of Napa. Of these funds, 99% must be spent on housing in the 94558 zip code, which the State has identified as a Most Impacted and Distressed (MID) area.

Under the DR-MHP requirements, the County first must apply to the State for CDBG-DR funding and execute a Master Standard Agreement with the State. Then the County would issue a Request for Proposals (RFP) for the purpose of identifying and selecting one or more multifamily housing projects to recommend for CDBG-DR funding. The County would then submit the recommended project(s) to the State for its eligibility review and approval. After receiving State approval, the County would then move forward with entering into an agreement with the selected developer(s) for the housing project(s).

CDBG-DR funding from the County would be provided to a housing developer in the form of a forgivable loan or grant and would require long term affordability restrictions to be recorded against the project. This funding can be

used for a variety of types of multifamily development including new construction, reconstruction, and rehabilitation. The Program allows the County to develop its own ranking criteria, but it requires that a selected project meet one of the following criteria:

- Providing a greater percentage of affordable rental units to overall units
- Providing Permanent Supportive housing
- Providing housing for extremely low-income households
- Providing deep affordability with at least 10% of the units targeted to households at or below 30% of median income
- Providing housing for elderly households
- Providing housing for disabled households
- Providing housing to low-income immigrants

The County is allowed to recover staff time and associated costs it incurs delivering the CDBG-DR funds through the CDBG-DR grant.

Several developers with current affordable housing projects in the 94558 zip code have already expressed interest in applying for the County and City's CDBG-DR funds. As a result, the City and County are working together on an RFP for ease for applicants seeking funds to develop affordable housing.

**Please note that the attached resolution is in a format required by the State of California Department of Housing and Community Development.

It is unknown at this time whether similar funding will be available for the 2020 wildfires.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Helene Franchi