



COUNTY OF NEVADA
HEALTH & HUMAN SERVICES AGENCY
Housing & Community Services Division

950 Maidu Ave.
Nevada City, California
95959

Agency Director
Michael Heggarty

Telephone (530) 265-1627
Fax (530) 265-2295

Department Directors
Rebecca Slade, MFT, Behavioral Health
Jill Blake, Public Health, Acting Behavioral Health Director
Tex Ritter, JD, Child Support Services / Collections / Housing &
Community Services Division
Mike Dent, MPA, Social Services

NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: January 10, 2017

TO: Board of Supervisors

FROM: **Tex Ritter**

SUBJECT: Resolution authorizing use of CDBG Funds / Program Income as it becomes available to fund up to the full amount (\$627,974) of the Bost House Rehabilitation Project approved by the board per resolutions 14-041 and 15-408, and authorizing the Health and Human Services Agency Director, or his designee to sign all other documents or instruments necessary or required by the Department of Housing and Community Development for participating in the CDBG Program.

RECOMMENDATION: Approve the attached resolution.

FUNDING: This is a federal grant which required a \$2,500 General Fund local cash match for the Planning and Technical Assistance Activity. The Board approved use of the General Fund cash match at the time of application per Resolution 13-122. The Supplemental Activities are funded from CDBG Program Income which results from the repayment of loans issued by the County under prior CDBG grant activities. The Board has already approved expenditures for the renovation of the Bost House in the total amount of \$627,974, as outlined below. This resolution simply increases the cap on CDBG Program Income Funds that can be used for this project up to the full project amount, so that these funds can be leveraged as they become available, and alternate funding sources can be reserved for additional enhancements or other uses as needed. Funds for this award were budgeted under the 2016/2017 county wide budget process. A budget amendment is not necessary.

BACKGROUND: The Board of Supervisors approved execution of the Standard Agreement #13-CDBG-8931 between the County of Nevada and the State Department of Housing and Community Development (HCD) for Community Development Block Grant (CDBG) Funds in the maximum

amount of \$1,953,750, effective February 4, 2014 through September 30, 2018 per Resolution 14-041.

Due to changes in HCD CDBG grant funding regulations, Program Income must be expended prior to drawing down current CDBG Block Grant funds. In order for the County of Nevada to realize the full Block Grant award and use of CDBG program income, HCD approved an amendment to the current contract to include supplemental activities. Supplemental activities are supplemental projects authorized under the current CDBG agreement, which are paid for with Program Income Funds. The rehabilitation of the Bost House for substance abuse treatment in the original maximum amount of \$450,000 was approved as a supplemental activity in Amendment 1 of the Standard Agreement #13-CDBG-8931 per Resolution 15-408.

The County solicited bids on two separate occasions with the cost for the project coming in at \$627,974, a difference of \$177,974 from the originally estimated \$450,000, and subsequently the Board of Supervisors approved execution of a contract to proceed with the rehabilitation project per Resolution 16-480 and 16-076.

The State HCD CDBG Program requires the Board to approve the use of CDBG funds / program income. HHSA is seeking to commit CDBG funding, including all current and future program income to the Bost House project, up to the above listed maximum amount, in order to realize the full CDBG grant award, providing the community with the greatest program benefit. HHSA has identified other potential funding sources should CDBG funds / program income not be sufficient to meet the project obligation.

It is recommended that the Board approve the use of CDBG funds / program income to complete the rehabilitation of the Bost House for substance abuse treatment up to the maximum amount of \$627,974.

Item Initiated and Approved by: Tex Ritter, Housing Division Director - Health and Human Services Agency