



**NEVADA COUNTY
HEALTH & HUMAN SERVICES
AGENCY**

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Housing and Community Services

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NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: July 14, 2020

TO: Board of Supervisors

FROM: **Mike Dent, Director Housing and Community Services**

SUBJECT: Resolution approving the submission of a request to the State Department of Housing and Community Development (HCD) for an increase in funding, commitment of current program income (PI) funds and all future PI funds received for the Odyssey House Rehabilitation Project through project completion; and authorizing the execution of grant amendments thereto for the 17-CDBG-12025 State contract for funding year 2017 of the State CDBG Program.

RECOMMENDATION: Approve the attached Resolution.

FUNDING: Funding for this project will be paid from the Housing and Community Services (HCS) Fiscal Year 2020-21 budget. A budget amendment will be included with the execution of the contract amendment should HCD approve. There is no impact on the General Fund.

BACKGROUND: CDBG funds from prior grant awards were used to provide loans to low to moderate income households for the purchase and/or repairs of homes. These loans once repaid are reported as PI and are required to be re-invested into the community or returned to HCD. As of the May 31, 2020, year-end report the County maintained a PI balance of \$362,198. Under the current HCD guidelines these funds must be fully expended prior to expending funds under an open CDBG Standard Agreement.

A public hearing to solicit and accept public comment on the use of Community Development Block Grant Program Income (PI) Funds was completed on November 5, 2019, per Resolution 19-587. HCS submitted the request to increase the Odyssey House budget by the amount of PI funds, however, due to staffing and program changes at HCD the request was not processed. HCD has requested that the County resubmit the request using the current program guidelines.

Additionally, on April 28, 2020, HCD announced that a request for an increase of up to 20% of the grant amount originally awarded for activity costs would be accepted. The Odyssey House Rehabilitation Project's original cost estimates were completed in October of 2017 and cost proposals received to complete the project exceed the grant funds awarded for the project and additional CDBG funds are required. HCS has worked with our architect to develop a cost estimate in order to request the maximum funding available from HCD should cost continue to exceed the original estimate.

Per previous Board action, Resolution 18-488 authorized a Standard Agreement No. 17-CDBG-12025 between the County of Nevada and the State Department of Housing and Community Development for Community Development Block Grant funds for the renovation of the Odyssey House. The facility, located at 995 Helling Way in Nevada City, has been used by the County as a transitional housing facility for severely mentally ill adults since 1995. This renovation project will increase the facility by approximately 3341 square feet, replace the roof, siding, windows, and relocate current parking to allow for adequate staff parking and handicap parking, improve the entrance into the building and correct functional space deficiencies to include the addition of a commercial kitchen, laundry facilities, ADA compliant restrooms, therapy areas, office areas and patient living quarters.

Resolution 19-551, approved by the Board on October 8, 2019, authorized a contract for the Design of the project. The design and specifications have been completed and the construction bid documents prepared. The Nevada County Housing Division anticipates is simultaneously bringing before the Board for approval the contract for Construction Management Services.

Your Board is requested to approve submission of a request to the California Department of Housing and Community Development for an increase in funding, and committing the current PI funds and all future PI funds received to the Odyssey House Rehabilitation Project through its completion. Upon your Board's approval, the Director of Nevada County's Housing and Community Services shall be authorized to sign the request, any amendments and all documents that support the use of CDBG PI. If approved, HCS will bring the contract amendment before the Board for approval.

Item Initiated by:

Mike Dent, Director Housing and Community Services