



# **Mendocino County's Community Development Block Grant (CDBG) Program**

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**GRANTS UNIT | Kelly Hansen & Xuyen Mallela**

# Purpose of CDBG

**The primary federal objective of the CDBG program is the development of viable urban communities by:**

- **Providing decent housing**
- **Suitable living environment**
- **Expanding economic opportunities**

**Principally, for persons of low- and moderate-income.**



# CDBG Projects & Programs

2 Project Criteria: they must meet a National Objective & be an Eligible Activity

## 1. National Objective

- **Benefit to Low-to-Moderate Income persons**
- **Aid in the prevention or elimination of blight, or**
- Provide funding for **projects that have a particular urgency** because existing conditions pose a serious and immediate threat to the health or welfare of the community.

## 2. CDBG Eligible Activities

- **Acquisition of Real Property**
- **Architectural Barrier Removal**
- **Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (including Housing)**
- **Code Enforcement**
- **Disposition of Real Property**
- **Economic Assistance to For Profit Businesses**
- **Homeownership Assistance**
- **Housing Services**
- **Lead Based Paint Hazard Evaluation and Reduction**
- **Loss of Rental Income**
- **Microenterprise Assistance**
- **Payment of Non-Federal Share**
- **Planning and Capacity Building**
- **Program Administration**
- **Public Facilities and Improvements and Privately-Owned Utilities**
- **Public Services**
- **Relocation**

**Mendocino County's Low-Mod Communities** ( $\geq 51\%$  of the residents are LMI persons)

Albion CDP | Boonville CDP | Brooktrails CDP | Covelo CCP | Fort Bragg City |

Laytonville-Leggett CCD | Little River CDP | Manchester CDP | Point Arena City | Parts of Ukiah | Willits CCD

Mendocino County (45.87%)

# CDBG Ineligible Activities

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- **General government expenses.**
- **Operating and maintenance expenses for public facilities, improvements and services.**
  - *Road repair, park upkeep, new department vehicles, etc.*
- **Improvements to buildings for the conduct of government, except to create accessibility for disabled population.**
  - *Roof and building repairs for county general administrative buildings, offices and court houses.*
- **Political or religious activities**
- **Purchase of equipment or furnishings for a property excluding manufacturing equipment connected with economic development activities and the purchase of fire trucks.**
- **New housing construction.**
- **Income payments.**
- **Lobbying activities.**
- **Program Income (PI) Projects: Planning projects** (*assessments, feasibility studies, etc.*), **Public services**

# CDBG FUNDING

## Program Income (PI)

- Some CDBG activities, such as business assistance loans, generate program income, extending CDBG dollars further.
- PI is defined as gross income generated from CDBG funds and may only be used for eligible CDBG projects or programs that comply with federal requirements.
- PI cannot be banked, and there must be a plan in place to use existing PI funds before applying for further CDBG funding.
- PI can be allocated in three different ways:
  - Including PI in the application budget when applying for an over-the-counter (OTC) or competitive award.
  - Submitting a PI-only application for a CDBG-eligible activity (which can be submitted at any time).
  - Adding PI to an existing award.

## CDBG Grants - Notice of Funding Availability (NOFA)

- **Projected 2024 NOFA drop date is late January 2024.**
  - *HCD requires that grantees arrange for independent audits on all CDBG grants consistent with 2 CFR 200.500 to 200.512.*
- **2024 NOFA Application Options:**
  - 1 Over-the-Counter (OTC) & 1 Competitive
  - 2 Competitive
- **Over-the-Counter (OTC) Solicitation (81%):**
  - Infrastructure, public facility, housing, or economic development project: up to \$3.25 million
  - Housing program: up to \$1.5 million
  - Economic development: up to \$1.5 million
- **Competitive Solicitation (9%):**
  - Public services: up to \$250,000
  - Planning and technical assistance: up to \$250,000

# CDBG PROJECT IDEAS FOR MENDOCINO CO.

2 Project Criteria: they must meet a National Objective & be an Eligible Activity

## Project Ideas from County Requests

- **County facilities: ADA, infrastructure &/or energy efficiency improvements**
- **In house economic development technical assistance**
- **Planning & feasibility studies (ADA & CSA) *not PI eligible***

• *See detailed list in staff memo*

## Project Ideas from Community Listening Sessions

- Down payment assistance for homes
- Affordable & workforce housing development projects
- Workforce development programs/local trade programs - *not PI eligible*
- Broadband expansion
- Water & sewer planning - *not PI eligible*
- Sidewalk repairs & beautification projects in unincorporated areas
- Microgrids/solar/energy projects
- Regional community resiliency/disaster centers
- Food security & distribution

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Mendocino County (45.87%)

# CDBG NEXT STEPS

## Program Income

- **Staff Proposal**
  1. **Amend current Business Assistance Loan Program Agreement** to cover expenses incurred and current fiscal year anticipated expenses.  
(*\$263,278.05*)
  2. **Submit new PI application for economic development technical assistance.**  
(*\$121,947.29*)
- **Guidance requested on use of remaining PI**  
(*\$473,000*).
  - Put towards new PI project(s)
  - Or 2024 NOFA project(s)

*PI applications will not count towards the Jan. NOFA.*

## CDBG Notice of Funding Availability (NOFA)

- Staff also requests Board guidance on projects or eligible activities they wish to see developed for submission for the 2024 NOFA.
- When evaluating potential 2024 NOFA projects, important to also consider criteria beyond the CDBG program guidelines:
  - Which projects align best with the County's Strategic Plan?
  - Meet high-priority County needs?
  - Fulfill our community's needs?
- Staff will also solicit further community input via a public hearing in December/January per HCD's Public Participation Requirements.
- Staff will return to the board in January for final direction and approval on projects to be submitted to HCD for the 2024 NOFA.



# Thank you

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