



COUNTY OF MENDOCINO
DEPARTMENT OF PLANNING AND BUILDING SERVICES
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MEMORANDUM

DATE: APRIL 20, 2021

TO: HONORABLE BOARD OF SUPERVISORS

FROM: IGNACIO GONZALEZ, INTERIM DIRECTOR, PLANNING & BUILDING SERVICES
ADRIENNE THOMPSON, ADMINISTRATIVE SERVICES MANAGER II

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION FOR NOTICE
OF FUNDING AVAILABILITY

Background: The Community Development Block Grant (CDBG) program, created in 1974, provides funds for housing, infrastructure, business assistance, and other community development purposes. The federal program is administered on behalf of rural jurisdictions, by the State Housing and Community Development (HCD) Agency. Typically, rural jurisdictions apply for CDBG funds on a competitive basis annually when HCD releases a Notice of Funding Availability (NOFA). In late January 2021, HCD released the CDBG NOFA whereby rural jurisdictions can apply for up to \$1,500,000 for eligible projects and activities. This application for funds must be submitted by April 30, 2021. As required, Planning and Building staff conducted a public meeting on February 11, 2021 to receive information from individuals and organizations interested in pursuing this CDBG funding opportunity.

Current CDBG funded activities include the Microenterprise Technical Assistance program, administered by West Business Development. In addition, the County has recently been approved to implement a CDBG COVID-19 funded Microenterprise mini grant program, as well as a low interest Business Loan program, using funds from the existing CDBG Program Income Account.

Purpose: The State CDBG program's purpose is to develop smaller communities by providing decent housing, a suitable living environment, and economic opportunities principally for low- or moderate-income (LMI) people. States must ensure that over time (but not more than three years) they select at least 70 percent (70%) of their CDBG funds for activities that benefit low- and moderate-income persons. This general objective is achieved by granting "maximum feasibility priority" to activities that benefit low- and moderate-income families or aid in the prevention or elimination of slums and blight. Under unique circumstances, States may also use their funds to meet urgent community development needs, such as those needs that pose a serious and immediate threat to the health or welfare of the community.

Eligibility: Units of local government (including counties) with populations of 50,000 or less (200,000 or less for counties) are eligible to compete for non-entitlement (State) CDBG funds. Community organizations cannot apply for CDBG funds directly, but local grantees may fund community and economic development activities by neighborhood-based nonprofit organizations if these activities fit the program's objectives and requirements.

Terms: Applications are ranked according to program standards as well as State criteria to ensure that grants are fairly and equitably awarded. Applicants are funded based on the final ranking of the applicants; to the extent funds are available. Rating factors vary from year to year and include the number and percent of persons in poverty, impact of the proposed program, past performance in meeting national objectives in housing and equal opportunity, overall capacity to operate the program, how the activities and projects meet local needs, and the overall needs of the State.

Comments: States design and implement their own programs. Generally, State CDBG grants can be used for some rural housing development activities, including site clearance and rehabilitation of housing and public or private buildings. Grants can also be used to provide “direct assistance to facilitate and expand homeownership” for LMI people.

In addition, CDBG funds can be used to acquire, construct, reconstruct, or install water and sewer facilities, sewage treatment works, and other such infrastructure. These funds can also pay for administrative costs such as planning and related activities, data gathering, surveys, detailed architectural or engineering studies, and administrative activities related to staff time, such as budgeting and proposal writing for future CDBG projects.

CDBG Project and Program Rating and Ranking Criteria: Threshold Criteria – Proposed programs or projects must be able to answer, “Yes”, for the following two questions in order to be eligible for CDBG funding and considered for rating and ranking process.

1. Does the program or project meet a national objective of the CDBG program?
2. Is the proposed program or project an eligible CDBG activity and meet the NOFA number of activity criteria?

How PBS Ranked Applications, CDBG Requirements and Community Needs - Total Points Available 100

1. Benefit to Low and Very Low-Income Persons or Blight Removal: 10 points

Activities that benefit at least 51 percent (51%) low- and moderate-income persons (10 Points).

2. Activity Need and Justification- (Total 20 Points) Needs + Local and State Needs

Need: 5 Points

The activity will be evaluated in terms of the documentation and justification that these construction improvements or program activities are needed and how the improvements benefit the community. Projects with excellent documentation and justification for the project will be awarded the maximum of 5 points (Good- 5 pts, Average – 3 pts, and Limited – 1 pts).

Local and State Needs: 15 Points

Activities addressing a high, medium, or low priority as identified in County and State documented needs, will be awarded points as follows (15 Points =High, 10 Points = Medium, 5 Points = Low).

3. Reasonableness of Cost Estimates: 15 Points

The activity will be evaluated in terms of: 1) its implementation costs and funding request related to its financial and project management resources and 2) source of construction estimates or program implementation estimates.

4. Project Budget: 15 Points

Points will be awarded based on evidence of sufficient funding to complete the project. The applicant should explain if other funding sources were explored and why other funding sources cannot be used on the project or could not be acquired.

5. Activity Management and Timelines: 20 Points

Points will be awarded to applicants based on documentation and information provided, showing that the resources, such as funding, site control, etc., needed to carry out the proposed project are available and ready. Maximum points will be given to activities that are ready to move forward quickly.

HCD has stated that in order to utilize CDBG funds as soon as possible, “shovel ready” projects will be given priority. Typically, this means that the design and engineering work is underway or has been completed. This criterion takes into consideration factors that may accelerate or slow down the ability to implement the activity in a timely manner. The highest points will be given to projects and activities that can be completed within 24 months.

6. Experience, Past Performance and Organizational Capability: 20 Points

The experience of the applicant, including the length of time in business and experience in undertaking projects of similar complexity as the one for which funds are being requested will be evaluated. This includes the project management capability and skill of administrative and program staff to carry out the project and past performance on CDBG construction projects or activities. Experience in managing other funding sources and leveraging federal dollars will also be considered.

For applicants who received CDBG funding in the past, they will also be evaluated on the timely expenditure of CDBG funds, the timely submittal of quarterly reports and requests for reimbursement, and the results of CDBG monitoring.

For those applicants that have not received CDBG funding in the past, allocation of points up to the maximum of 20 points will be awarded, dependent upon documentation of similar project management experience especially with federally-funded construction projects or activities submitted with the application.

Staff Recommendation and Ranking: On the following pages, please find staff’s ranking of each project, as assisted by our consultant, related to the 100 point total used by HCD and described in the above section. Based on the scores, staff recommends that the Board of Supervisors approve the Resolution and authorize staff to submit an application to HCD for funding of 3 projects; 1. Blight Removal, Community of Covelo, not to exceed \$1,000,000 2. Microenterprise Technical Assistance for small business development, not to exceed \$250,000, and 3. Planning and Technical Assistance to prepare design plans and budget documentation necessary to build out a new Senior and Community Center facility.

MENDOCINO COUNTY 2020/2021 CDBG PROJECTS AND PROGRAMS RATINGS AND RECOMMENDATIONS

1. Possible through MOU with Round Valley Indian Tribes, Collaboration with Mendocino Solid Waste Management Authority (MSWMA, Mendo Recycle), Mendocino Resource Conservation District (RCD), - Recommend Inclusion in Application,

<u>Project/Program Description</u>	<u>CDBG Activity Type</u>
1. Signage, social media messaging, environmental impacts of littering.	Blight Removal
2. Tire amnesty and household hazardous waste collection.	Low Mod Area
3. Community Cleanups.	
4. Removal of up to 550 junk vehicles, county and tribal lands.	
5. Purchase of possum belly truck trailer or other equipment for hauling and trash storage.	
6. Clean up of at least two specific illegal dump sites.	
7. Hire two part time employees to continue on going clean up. (Mendo Recycle)	
8. Hire part time Code Enforcement Officer, two years (PBS)	
9. Funding for two Mendo Recycle employees and two RVIT employees or members to receive "HAZWOPER" Specialist certificate to be properly trained to handle hazardous materials.	
10. Other activities related to blight removal.	

Cost Estimate
\$1,000,000

<u>Criteria</u>	<u>Maximum Points</u>	<u>This Project</u>
Low/Mod Benefit/51% or Blight	10	10
Need - Justification	5	5
Need - Local/State	15	15
Cost Reasonableness	15	13
Project Budget	15	13
Management/Timeline	20	18
Experience/Past Performance	20	18
Total	100	<u>92</u>

2. Recommend Inclusion in Application

<u>Project/Program Description</u>	<u>CDBG Activity Type</u>
Technical Assistance to Microenterprise through Workshops and one on one consultations. This is County will procure provider like WEST with in depth long term experience with implementing micro-enterprise services.	Enterprise Fund activity to assist low/moderate income small businesses with 5 or less employees.

Program request is in the amount of
\$250,000

<u>Criteria</u>	<u>Maximum Points</u>	<u>This Project</u>
Low/Mod Benefit/51%	10	10
Need - Justification	5	5
Need - Local/State	15	13
Cost Reasonableness	15	12
Project Budget	15	13
Management/Timeline	20	16
Experience/Past Performance	20	19
Total	100	<u>88</u>

3. Senior & Community Center Design- Recommend Inclusion in Application

Project/Program Description

Planning and Technical Assistance work to determine the design, engineering, and costs to build a larger modern Senior & Community Center. The design and budget will be used as A reference tool to apply for future grant funds to build the new facility.

CDBG Activity Type

Planning and Technical Assistance

**Projected costs of
\$250,000**

<u>Criteria</u>	<u>Maximum Points</u>	<u>This Project</u>
Low/Mod Benefit/51%	10	10
Need - Justification	5	5
Need - Local/State	15	15
Cost Reasonableness	15	13
Project Budget	15	13
Management/Timeline	20	18
Experience/Past Performance	<u>20</u>	<u>18</u>
Total	100	<u>92</u>