

MEMORANDUM

Date: August 13, 2015

To: Housing Advisory Commission

From: Julie Conway

Re: Santa Cruz County Community Development Block Grant (CDBG) Program
Public Information and Application Process

The Community Development Block Grant (CDBG) Program is an important funding source for the County of Santa Cruz. Since becoming eligible in 2009 the County has received almost \$3.2 Million dollars and funded offsite improvements for Schapiro Knolls Apartments, a pediatric wing for Dientes Dental Clinic, replaced a waterline in Davenport and provided additional assistance through public services countywide.

Over the past few years the State CDBG Program has streamlined their application process by releasing a Notice of Funding Availability (NOFA) in early January with applications due in April¹. The State requires that jurisdiction spend at least 50% of grant funds available through open contracts before the due date of the application. Because of this requirement, and because of the time required for project set up and environmental review, jurisdictions are not expected to be eligible to apply for new funding more frequently than every other year. The County applied for the CDBG 2015 round and, if funded, will not be eligible to apply under the State's 2016 CDBG NOFA.

CDBG is a highly competitive funding source and in order to allow staff to assist in the development of successful proposals we are recommending changes to the CDBG public information and application process. In previous years both required public hearings were held before the Board of Supervisors after the release of the NOFA. Staff would make CDBG presentations to interested parties in December and provide limited guidance for Letters of Intent. While the decision making body is required to hold the final noticed public hearing, the State regulations allow another hearing body, such as the HAC to hold the initial public hearing, thus providing for a longer period of time for program participants to craft competitive proposals. Staff is also in the process of developing a local application that will provide clearer guidance for interested participants as they structure proposed activities.

In order to establish a process that provides predictability, meets State public information requirements and allows sufficient time for applicants to prepare and refine competitive applications, staff is recommending the following CDBG Public Information and Application Process:

- HAC will host a CDBG Program Design workshop at its September meeting (the first required CDBG noticed public hearing). Staff will provide a Program overview and distribute local applications which will be due in Mid-November;
- The Board of Supervisors will conduct a public hearing in January to consider and select proposals (the second required public hearing); and
- Staff will work with selected participants to prepare the application for submittal in early April.

¹ The exception of the Economic Development Over the Counter application which is due at the end of April and has a different application process.