



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: September 20, 2016

TO: Carolyn Lehr, City Manager

FROM: Charles S. Bryant, Community Development Director

SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Enter Into An Agreement With Alameda County For The Reallocation Of Unexpended Community Development Block Grant Funds From Fiscal Year 2013-14 In An Amount Of \$54,094.68 For Expenditure In Fiscal Year 2016-17 For The Funding Of Improvements To An Existing Affordable Rental Housing Project**

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution authorizing the City Manager to enter into an agreement with Alameda County for the reallocation of unexpended Community Development Block Grant funds from Fiscal Year 2013-14 for the funding of improvements to an existing affordable rental housing project.

BACKGROUND

The City of Emeryville is an Urban County city under the guidelines of the federal Community Development Block Grant (CDBG) program and the HOME Investment Partnership Program (HOME), administered through the federal Department of Housing and Urban Development (HUD). Cities must have populations of 50,000 or more in order to receive their own CDBG entitlement funds. Emeryville's CDBG funds are provided through Alameda County's Housing and Community Development Department (HCD). HCD applies to HUD in Washington, D.C. every three years to be an Urban County entitlement community for the CDBG and HOME Programs. The Urban County is comprised of those cities with populations under 50,000, as well as the unincorporated County. These areas are unable to obtain CDBG and HOME funds from HUD directly as an entitlement.

In Fiscal Year 2013-14 the City allocated \$40,869 from its CDBG Grant to the Housing Rehabilitation Program. Due to limited eligibility and a lack of demand for this program, no rehabilitations were completed in that year, leaving \$36,854.74 in unspent funds. In addition, two loans were repaid creating \$17,239.94 in Program Income, for a total of \$54,094.68.

Since the City of Emeryville is part of the Urban County as outlined above, approval to extend the expenditure date of the remaining funds from Fiscal Year 2013-14 required an administrative approval from HCD. HCD's approval was granted with the understanding that the funds need to be expended by June 30, 2017.

DISCUSSION

The City of Emeryville has several affordable housing projects that were constructed 15 to 20 years ago and may require modest rehabilitation work. The City has identified Bay Bridge Apartments, a six unit project for people with HIV/AIDS as a project that requires painting and some rehabilitation. Staff is currently working with the owner, Resources for Community Development, to develop a scope of work to paint and rehabilitate the project.

These funds must be expended by June 30, 2017. If the Bay Bridge Apartments project outlined above is not able to be completed in time, staff will work with other affordable housing owners in order to expend funds in a timely manner.

FISCAL IMPACT

There is no impact on the General Fund through the carryover of these funds. If these funds are not reallocated for expenditure, \$54,094.68 of unexpended Fiscal Year 2013-14 CDBG funds will be returned to a pool of funds which are available on a competitive basis to all of the Urban County cities.

LEGAL CONSIDERATIONS

The City Attorney has reviewed the attached resolution and agreement as to form.

PREPARED BY: Catherine J. Firpo, Housing Coordinator

REVIEWED BY: Chadrick Smalley, Economic Development and Housing Manager

APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



Carolyn Lehr, City Manager

Attachments:

1. Resolution
2. Exhibit A: Alameda County CDBG Agreement