

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: June 28, 2011, 10:30 am – Set Matter Public Hearing	AGENDA NO.: S-1
SUBJECT	a. Conduct a public hearing and approve a resolution adopting the reallocation of \$34,000 in 2008 Community Development Block Grant (CDBG) Foreclosure Counseling funds to Homebuyer Education and Counseling Program funds to be administered by the Housing Resource Center (HRC); b. Approve an extension of the CDBG grant from June 30, 2011 to December 31, 2011; c. Authorize the Director of the Redevelopment and Housing Office to execute Amendment #2 to the Subrecipient Agreement with the HRC to increase the allocation of funding within the total grant for Homebuyer Education and Counseling and extend the term of the grant to December 31, 2011; and d. Authorize the Director of the Redevelopment and Housing Office to execute the amendment to the CDBG Standard Agreement.
DEPARTMENT:	Redevelopment and Housing Office

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing and approve a resolution adopting the reallocation of \$34,000 in 2008 Community Development Block Grant (CDBG) Foreclosure Counseling funds to Homebuyer Education and Counseling Program funds to be administered by the Housing Resource Center (HRC);
- b. Approve an extension of the CDBG grant from June 30, 2011 to December 31, 2011;
- c. Authorize the Director of the Redevelopment and Housing Office to execute Amendment #2 to the Subrecipient Agreement with the HRC to increase the allocation of funding within the total grant for Homebuyer Education and Counseling and extend the term of the grant to December 31, 2011; and
- d. Authorize the Director of the Redevelopment and Housing Office to execute the amendment to the CDBG Standard Agreement.

SUMMARY:

The recommended reallocation of CDBG grant funding from the foreclosure counseling activity to the homebuyer education activity will respond to community need and provide a more effective use of grant funding. The CDBG program requires that the County conduct a public hearing and approve a resolution to implement this action.

DISCUSSION:

In July 2008, the County of Monterey was awarded a CDBG grant in the amount of \$876,340 to support the Sunflower Gardens Housing Project (\$500,000) and a foreclosure counseling program (\$376,340). In May 2009, the Board of Supervisors approved a Subrecipient Agreement between the County of Monterey and the Housing Resource Center (HRC) to administer the foreclosure counseling program for County residents.

In September 2009, the County was awarded approximately \$2.1 million in Neighborhood Stabilization Program (NSP-1) funds to acquire, renovate, finance, and resell foreclosed homes.

The NSP-1 program requires that qualified homebuyers participate in a homebuyer education program. The goal of the education is to prepare low- and moderate-income households to take advantage of the homeownership opportunities created by the NSP-1 and other housing programs. The Subrecipient Agreement with HRC was amended in November 2009 (Amendment #1) to reallocate \$50,000 from foreclosure counseling to homebuyer education. HRC has exhausted the homebuyer education funds provided by the CDBG grant reallocation, but has funds remaining for foreclosure counseling. The recommended action will allow HRC to meet the ongoing need of homebuyer education while still effectively addressing the foreclosure crisis.

The public hearing was noticed in the Salinas Californian on June 14, 2011 in compliance with CDBG requirements.

OTHER AGENCY INVOLVEMENT:

The Monterey County Housing Advisory Committee (HAC) provided a recommendation on the original grant application in 2008 and has been provided with regular updates on the program. The cities of Gonzales, Greenfield and Soledad contributed to the local match required by the grant.

FINANCING:

There is no impact on the General Fund. The County accepted an \$876,340 CDBG Grant on March 17, 2009 to assist the Sunflower Gardens Project and provide foreclosure counseling activities. The recommended reallocation of funding is within the original grant limits. Grant and local match revenues and expenditures are budgeted in Fund 013, Unit 8200.

Prepared by:

Approved by:



Jane Royer Barr
Program Manager



Jim Cook
Director

6/15/11

Date:

6/15/11

Date:

Attachments: Resolution; Amendment #2; Amendment #1 and HRC Contract are on file with the Clerk of the Board.