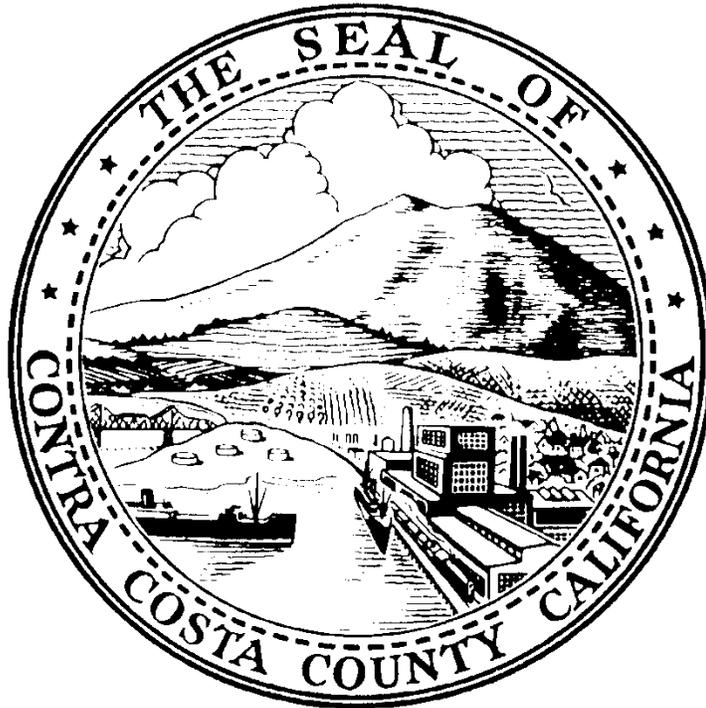


# ***CONTRA COSTA COUNTY***



## ***FY 2014/15 ACTION PLAN***

***Community Development Block Grant  
HOME Investment Partnerships Act  
Emergency Solutions Grants  
Housing Opportunities for Persons with AIDS***

***April 4, 2014***

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## Executive Summary

The Contra Costa County FY 2014/15 Action Plan describes recommendations for funding of specific projects and programs to address housing, economic development, infrastructure/public facility improvements, and public service needs utilizing Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) funds.

These funds are allocated annually to entitlement communities through the U.S. Department of Housing and Urban Development (HUD) to carry out a wide range of community development activities that benefit lower income persons and households<sup>1</sup>. In order to receive annual allocations, jurisdictions must submit a five-year Consolidated Plan<sup>2</sup> and an annual Action Plan. The FY 2010-15<sup>3</sup> Contra Costa Consortium Consolidated Plan (Consolidated Plan) identifies priority needs, strategies to meet the priority needs, and goals to be addressed during the five-year period for housing, economic development, infrastructure/public facility, and public services. The annual Action Plan must demonstrate the linkage between the use of funds and the specific objectives developed to address needs identified in the five-year Consolidated Plan.

The County will receive the following allocations for FY 2014/15:

|       |             |
|-------|-------------|
| CDBG  | \$2,976,594 |
| HOME  | \$1,946,574 |
| ESG   | \$ 236,639  |
| HOPWA | \$ 500,000  |

In October 2013, in an effort to better align the County's funding cycle with the start of the new FY 2015/16 thru FY 2019/20 five-year Consolidated Plan, the County Board of Supervisors approved extending the current two year funding cycle (FY 2012/13 and FY 2013/14) for programs/projects in the CDBG economic development and public service categories, and the ESG program category for an additional year (FY 2014/15). Consequently, the County only accepted and considered **renewal** applications from current Subrecipients in those three project categories. However, a Request for Proposals (RFP) for CDBG housing HOME and HOPWA, and CDBG infrastructure/public facility, funds was published in County-wide newspapers on October 4, 2013, and sent to over 500 jurisdictions, public agencies, affordable housing developers, community based organizations and other interested groups active in the Urban County and Consortium area.

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<sup>1</sup> The Contra Costa County CDBG, HOME, ESG, and HOPWA programs use the following income definitions: Extremely-low income households are defined as households with incomes at or below 30 percent of the area median income (AMI) for the Oakland PMSA as adjusted for household size. Very-low income households are defined as households with incomes at or below 50 percent AMI, and low-income households are households with incomes at or below 80 percent AMI. Although CDBG regulations use the terms low and moderate income to describe households with incomes at or below 50 percent and 80 percent AMI respectively, the County has elected to use the terms very-low and low-income to be consistent with its other programs.

<sup>2</sup> The Consolidated Plan is available for review at the Department of Conservation and Development offices, or visit our website at <http://ca-contracostacounty2.civicplus.com/4823/Community-Development-Block-Grant>

<sup>3</sup> The Consolidated Plan covers FY 2010/11 through FY 2014/15.

## **Program Description**

### Community Development Block Grant

The primary purpose of the CDBG program is to develop viable urban communities by providing decent housing, a suitable living environment and expanded economic opportunities principally for persons of low income. The County's goal is to develop and conserve viable communities in areas where blight and disinvestment threaten residents' safety, vitality and productivity. County CDBG funds can be used only for projects that benefit Urban County<sup>4</sup> residents. Since 1975, Contra Costa County has used the CDBG program to improve the quality of life and physical conditions in its lower income communities.

### HOME Investment Partnerships Act

The purpose of the HOME program is to expand the supply of decent, safe, sanitary, and affordable housing for very-low and low-income households. In June of 1993, Contra Costa County as the Urban County representative, and the Cities of Antioch, Concord, Pittsburg, and Walnut Creek, joined together to form a Consortium for purposes of participation in the HOME program. The City of Richmond operates an independent HOME program. HOME funds may be used for projects to acquire, rehabilitate, and construct housing for lower-income households in the Consortium area.

### Emergency Solutions Grants

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidated three of the separate homeless assistance programs administered by the U.S. Department of Housing and Urban Development (HUD) under the McKinney-Vento Homeless Assistance Act into a single grant program, revising the Emergency Shelter Grants program and renaming it the Emergency Solutions Grant (ESG) program. The change in the program's name reflects the change in the program's focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The intent of the ESG program is to build upon those services developed through the Homeless Prevention and Rapid Rehousing Program (HPRP) that was funded as part of the 2009 American Recovery and Reinvestment Act (ARRA). The purpose of HPRP was to provide homelessness prevention assistance to households who would otherwise become homeless and to rapidly re-house persons who are homeless by providing temporary financial assistance and housing relocation and stabilization services.

Emergency Solutions Grant funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance and data collection. ESG regulations limit the amount to be allocated to street outreach and emergency shelter activities to 60 percent of the grant amount or the amount allocated in FY 2010/11 (\$145,025),

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<sup>4</sup> The Urban County consists of all of Contra Costa with the exception of the cities of Antioch, Concord, Pittsburg, Richmond and Walnut Creek. These cities are separate entitlement jurisdictions under the CDBG program.

whichever is greater. The County is allocating funds for FY 2014/15 to emergency shelter services, including youth and domestic violence providers, homelessness prevention to assist low income residents at risk of becoming homeless, and rapid re-housing to assist homeless residents to quickly regain housing stability. ESG funds are limited to projects and programs benefiting Urban County residents.

County staff will continue to coordinate with the Continuum of Care (CoC) in developing standards and procedures for activities assisted by ESG funds through Contra Costa Inter-Jurisdictional Council on Homelessness (CCICH) and the CoC executive committee. Outcomes are currently standardized due to the required use of the Homeless Management and Information System (HMIS), by homeless services providers. Additional requirements for the allocation of ESG funds, performance goals and the evaluation of outcomes will be determined in conjunction with the COC board and CCICH.

### Housing Opportunities for Persons with AIDS

The purpose of the HOPWA Program is to provide affordable housing, housing counseling and advocacy programs for low-income persons with HIV/AIDS who are either homeless or have unstable housing. The County represents all Contra Costa jurisdictions for purposes of administering the HOPWA program.<sup>5</sup>

### **Available Resources**

The County will have approximately \$4.7 million in federal resources for FY 2014/15, which is a 15 percent decrease from last year. The following sections breakdown the proposed sources and uses of those funds. Funds for housing activities are allocated annually through a competitive application process. Funds for non-housing activities are allocated on a two-year funding cycle through a competitive application process to community, social service and public agencies and to businesses to implement programs that strengthen and revitalize lower income communities.

On February 25, 2014, a public meeting was held before the Contra Costa County Board of Supervisors (Board) on the proposed allocation of FY 2014/15 CDBG-Housing, HOME and HOPWA funds. The Board considered the recommendations for funding from the Affordable Housing Finance Committee. On May 6, 2014, a public meeting will be held before the Board on the proposed allocation of FY 2014/15 CDBG, HOME, and ESG funds. The Board considered the recommendations for funding of FY 2014/15 projects from the Board's Family and Human Services (public service and ESG projects) and Finance (economic development and infrastructure/public facilities projects) Committees. Attachment A summarizes the three Committee's recommendations.

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<sup>5</sup> Pursuant to the National Affordable Housing Act, HOPWA funds are allocated on an annual basis to the City of Oakland for the Oakland PMSA, which includes Alameda and Contra Costa County. Contra Costa receives a formula share of HOPWA funds through the City of Oakland.

## Community Development Block Grant

The Board of Supervisors has adopted funding guidelines for the annual allocation of CDBG funds. The funding guidelines require that the annual grant award be allocated to the various categories as follows:

| <u>Category of Use</u>           | <u>Percent of Grant</u> |
|----------------------------------|-------------------------|
| Housing                          | 45.1%                   |
| Public Service <sup>6</sup>      | 15.0%                   |
| Economic Development             | 14.0%                   |
| Infrastructure/Public Facilities | 3.9%                    |
| Program Administration           | 20.0%                   |
| Contingency <sup>7</sup>         | 2.0%                    |
| <b>Total</b>                     | <b>100%</b>             |

Note: For FY 2014/15, the FHS and Finance Committees recommended using the funds in the “Contingency” category to fund projects in the Public Service category.

| <u>Sources of Funds</u>                            |                | <u>Recommended Allocations</u>                   |                    |
|--|----------------|--|--------------------|
| FY 2014/15 Grant                                   | \$2,976,594    | Projects/Programs <sup>8</sup>                   | \$3,077,050        |
| Recaptured funds from closed or completed projects | 76,791         |  |                    |
| Housing Development Assistance Fund                | 843,083        | Housing Development Assistance Fund <sup>9</sup> | 744,099            |
|  |                | Program Administration <sup>10</sup>             | 725,319            |
| <u>Program Income (est.)</u>                       | <u>650,000</u> |  |                    |
| Total Available for Allocation                     | \$4,546,468    | <u>Total Funds Allocated</u>                     | <u>\$4,546,468</u> |

## HOME Investment Partnerships Act

| <u>Sources of Funds</u>               |             | <u>Recommended Allocation</u> |             |
|---------------------------------------|-------------|-------------------------------|-------------|
| FY 2014/15 Grant                      | \$1,946,574 | Projects/Programs             | \$2,465,000 |
| Housing Development Asst. Fund (HDAF) | 900,586     | HDAF <sup>11</sup>            | 367,503     |

<sup>6</sup> Statutory Cap

<sup>7</sup> The contingency category allows Board of Supervisors flexibility in funding specific projects.

<sup>8</sup> Includes \$300,000 in estimated CDBG Program Income.

<sup>9</sup> Includes estimated Program Income.

<sup>10</sup> The allocation to Program Administration is limited to an amount no greater than 20 percent of the sum of the entitlement grant plus the Program Income (regular Program Income and revolving loan income) received by the grantee and its subrecipients during the program year. As stated above, revolving loan income is included in the base amount used in calculating the 20 percent allocated to Program Administration. The Program Administration is funded out of the entitlement. The revolving loan income remains with the revolving loan programs to be used for rehabilitation loans and rehabilitation program administration.

<sup>11</sup> Includes ninety percent of estimated Program Income.

|                                |             |                                      |             |
|--------------------------------|-------------|--------------------------------------|-------------|
| Program Income (est.)          | 200,000     | Program Administration <sup>12</sup> | 214,657     |
| Total Available for Allocation | \$3,047,160 | Total Funds Allocated                | \$3,047,160 |

Fifteen percent, or \$262,788, of the annual allocation is reserved for Community Housing Development Organizations (CHDO) activities. If the HOME program receives program income during the fiscal year, ten percent of the program income will be allocated to Program Administration and the remainder will be allocated to the Housing Development Assistance Fund.

### Emergency Solutions Grant

During FY 2014/15, the County will receive \$236,639 in ESG funds: \$145,025 will be allocated to emergency shelter and outreach services, \$73,867 will be allocated to homelessness prevention and re-housing services and seven and a half percent (\$17,747) will be used for program administration costs.

### Housing Opportunities for Persons With AIDS

During FY 2014/15, the County expects to receive approximately \$500,000 in HOPWA funds. These funds will be allocated later in the year. Six and a half percent of the grant amount (approximately \$32,500) will be used for program administration costs.

### Additional Resources

#### Match

County policy requires projects funded with CDBG funds to provide a minimum match as follows: 10 percent required from non-profit organizations, 25 percent from local government agencies, and 100 percent from for-profit entities. Public service and economic development projects (sponsored by non-profit organizations and public agencies) receiving multiple year funding are further required to increase the level of match for each year of funding up to 50 percent match after year five.

In accordance with federal regulations, all projects funded with Consortium HOME funds are required to provide a minimum 25 percent permanent match to the project from non-federal sources. During FY 2014/15, the minimum match for HOME will be \$437,979.

In accordance with federal regulations, all projects funded with ESG funds are required to provide a minimum 100 percent match from non-federal sources. During FY 2014/15, the estimated minimum match for ESG will be \$236,639.

HOPWA regulations do not require matching funds. However, housing development projects using HOPWA funds must provide HOPWA-assisted units in proportion to the amount of HOPWA funds in the project.

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<sup>12</sup> Includes ten percent of estimated Program Income.

## Leverage

Affordable housing development projects leverage significant additional resources. HOME and CDBG housing projects to be funded in FY 2014/15 are expected to leverage over \$81 million (including required match) in additional financing. Typical funding sources include tax-exempt bond revenues, private sector equity investment through low-income housing tax credits, private foundation donations, and private lender loans.

The State of California eliminated all redevelopment agencies effective February 1, 2012. The housing projects recommended for funding in FY 2014/15 had commitments from redevelopment in place prior to June 28, 2011 (the date when redevelopment agency activities were suspended). Therefore, the full impact of the dissolution of redevelopment will not be felt for another year or two.

Housing choice vouchers (Section 8) are used to further enhance housing affordability. The Housing Authority of the County of Contra Costa (HACCC) may have funds for its voucher program.

The County currently has \$7 million in Mortgage Credit Certificate (MCC) resources. This will assist 35-40 first-time homebuyers in acquiring homes.

CDBG projects in the Economic Development, Infrastructure/Public Facilities, and Public Service categories leverage substantial additional funds from a variety of sources including public agencies, private foundations, fundraising, redevelopment agencies, in-kind donations, fees and income. Economic Development, Infrastructure/Public Facilities, and Public Service projects will leverage an estimated \$1.3 million, \$538,000, and \$15.0 million, respectively, in additional funds during FY 2014/15

## Activities to be Undertaken

### Housing

The Consolidated Plan establishes the following priorities for affordable housing programs and projects funded with CDBG, HOME, ESG, and HOPWA funds. Objectives, outcomes and indicators are noted below each priority listed below. Also, Attachment B – Performance Measurement Chart lists the objective, outcome, priority need and indicator for each funded project.

AH-1: Expand housing opportunities for extremely low-income, very low-income, low-income, and moderate-income households through an increase in the supply of decent, safe, and affordable rental housing and rental assistance.

Objective: Provide decent affordable housing.

Outcome: Affordability.

Indicator: Rental units constructed and rehabilitated.

AH-2: Increase homeownership opportunities.

Objective: Provide decent affordable housing.

Outcome: Affordability.

Indicator: Homeownership units constructed, acquired, or acquired and rehabilitated; direct financial assistance provided to homebuyers.

AH-3 Maintain and preserve the existing affordable housing stock.

Objective: Provide decent affordable housing.

Outcome: Affordability.

Indicator: Housing units rehabilitated.

AH-4 Reduce the number and impact of home foreclosures.

Objective: Provide decent affordable housing.

Outcome: Affordability.

Indicator: Public Service and Neighborhood Stabilization Program Activities

AH-5 Increase the supply of appropriate and supportive housing for special needs populations.

Objective: Provide decent affordable housing.

Outcome: Affordability.

Indicators: Housing units reserved for homeless and special needs populations.

AH-6 Preserve existing special needs housing.

Objective: Provide decent affordable housing.

Outcome: Affordability.

Indicators: Number of housing units preserved as affordable housing specifically for special needs populations.

AH-7 Adapt or modify existing housing to meet the needs of special needs populations.

Objective: Provide decent affordable housing.

Outcome: Affordability.

Indicators: Number of units reconstructed to provide accessibility improvements.

AH-8 Improve access to services for those in special needs housing.

Objective: Provide decent affordable housing.

Outcome: Affordability.

Indicator: Public Service Activities

In addition to the above priorities, the Board has established a priority for housing projects which include units affordable to extremely-low income households. Attachment A provides information on specific housing projects funded with FY 2014/15 CDBG, HOME and HOPWA funds. Additional HOPWA funds may be allocated later in the year through separate competitive application process.

The annual goal is to construct 165 units of rental housing, construct and/or assist 58 units of owner-occupied housing, assist 20 homeless individuals and 30 homeless families, and assist 77 non-homeless special needs individuals. The County is on track to meet these goals. The loss of redevelopment funding has resulted in less competitive tax credit rounds. Therefore County funded projects have been successful in competing for nine percent housing tax credits. There are four multi-family and one single family project under construction. The five projects have a combined 208 units.

## Non-housing Community Development Objectives & Homeless Objectives

Consistent with the purpose of the CDBG Program, the Board adopted the following goals in the FY 2010-15 Consolidated Plan for programs and projects funded with CDBG and ESG funds. The objective, outcome, and indicator are noted below each priority listed below. Also, Attachment B – Performance Measurement Chart lists the objective, outcome, priority need and indicator for each funded project.

- CD-1 General Public Services: Ensure that opportunities and services are provided to improve the quality of life and independence for lower-income persons, and ensure access to programs that promote prevention and early intervention related to a variety of social concerns such as hunger, substance abuse, and other issues.  
Objective: Creating Suitable Living Environments.  
Outcome: Availability/Accessibility.  
Indicator: Public Service Activities.
- CD-2 Seniors: Enhance the quality of life of senior citizens and frail elderly, and enable them to maintain independence.  
Objective: Creating Suitable Living Environments.  
Outcome: Availability/Accessibility.  
Indicator: Public Service Activities.
- CD-3 Youth: Increase opportunities for children/youth to be healthy, succeed in school and prepare for productive adulthood.  
Objective: Creating Suitable Living Environments.  
Outcome: Availability/Accessibility.  
Indicator: Public Service Activities.
- CD-4 Non-homeless Special Needs: Ensure that opportunities and services are provided to improve the quality of life and independence for persons with special needs such as disabled persons, victims of domestic violence, abused children, persons with HIV/AIDS, illiterate adults, and migrant farm workers.  
Objective: Creating Suitable Living Environments.  
Outcome: Availability/Accessibility.  
Indicator: Public Service Activities.
- CD-5 Fair Housing: Continue to promote fair housing activities and affirmatively further fair housing.  
Objective: Creating Suitable Living Environments.  
Outcome: Availability/Accessibility.  
Indicator: Public Service Activities.
- CD-6 Economic Development: Reduce the number of persons with incomes below the poverty level, expand economic opportunities for very-low and low-income residents, and increase the viability of neighborhood commercial areas.  
Objective: Provide economic opportunity.  
Outcome: Availability/Accessibility.

Indicator: Number of jobs created, retained, or maintained; and/or number of businesses assisted.

CD-7 Infrastructure/Public Facilities: Maintain quality public facilities and adequate infrastructure, and ensure access for the mobility impaired by addressing physical access barriers to public facilities.

Objective: Creating Suitable Living Environments.

Outcome: Availability/Accessibility.

Indicator: Public Facility and Infrastructure Activities.

CD-8 Administration/Planning: Support development of viable urban communities through extending and strengthening partnerships among all levels of government and the private sector, and administer federal grant programs in a fiscally prudent manner.

H-1 Homeless Services: Assist the homeless and those at risk of becoming homeless by providing emergency, transitional, and permanent affordable housing with appropriate supportive services.

Objective: Creating Suitable Living Environments.

Outcome: Availability/Accessibility.

Indicator: Public Service Activities.

H-2 Homeless Services: Reduce incidence of homelessness and assist in alleviating the needs of the homeless.

Objective: Creating Suitable Living Environments.

Outcome: Availability/Accessibility.

Indicator: Public Service Activities.

Attachment A provides information on specific Housing, Public Service, Infrastructure/Public Facilities, and Economic Development projects to be funded with FY 2014/15 CDBG funds.

### Fair Housing

The recommendations of the Contra Costa Consortium Analysis of Impediments to Fair Housing Choice (AI) dated May 26, 2010 are as follows:

#### **Affordable Housing**

1. IMPEDIMENT: Lack of sufficient affordable housing supply.

1.1. Action: Provide assistance to preserve existing affordable housing and to create new affordable housing. Assistance will be provided through the Consolidated Plan programs of the Consortium member jurisdictions. These include CDBG, HOME, and HOPWA.

1.2. Action: Offer regulatory relief and incentives for the development of affordable housing. Such relief includes that offered under state “density bonus” provisions. (See Housing Element of the General Plan programs.)

1.3. Action: Assure the availability of adequate sites for the development of affordable housing. (See Housing Element of the General Plan programs.)

2. IMPEDIMENT: Concentration of affordable housing.

2.1. Action: Housing Authorities within the County (Contra Costa County, Richmond and Pittsburg) will be encouraged to promote wide acceptance of Housing Choice Vouchers, and will monitor the use of Housing Choice Vouchers to avoid geographic concentration.

2.2. Action: Consortium member jurisdictions will collaborate to expand affordable housing opportunities in communities in which they are currently limited.

2.3. Action: A higher priority for the allocation of financial and administrative resources may be given to projects and programs which expand affordable housing opportunities in communities in which they are currently limited.

2.4. Action: Member jurisdictions will report on the location of new affordable housing in relation to the location of existing affordable housing and areas of low-income, poverty and minority concentration.

### **Mortgage Lending**

3. IMPEDIMENT: Differential origination rates based on race, ethnicity and location.

3.1. Action: Member jurisdictions will periodically monitor Home Mortgage Disclosure Act (HMDA) data and report significant trends in mortgage lending by race, ethnicity and location.

3.2. Action: When selecting lending institutions for contracts and participation in local programs, member jurisdictions may prefer those with a Community Reinvestment Act (CRA) rating of “Outstanding.” Member jurisdictions may exclude those with a rating of “Needs to Improve,” or “Substantial Noncompliance” according to the most recent examination period published by the Federal Financial Institutions Examination Council (FFIEC). In addition, member jurisdictions may review an individual institution’s most recent HMDA reporting as most recently published by the FFIEC.

4. IMPEDIMENT: Lack of knowledge about the requirements of mortgage lenders and the mortgage lending/home purchase process, particularly among lower income and minority households.

4.1. Action: Member jurisdictions will support pre-purchase counseling and home buyer education programs.

4.2. Action: Member jurisdictions will support home purchase programs targeted to lower income (low and very low), immigrant, and minority households. Minority households include Hispanic households.

4.3. Action: Member jurisdictions will encourage mortgage lenders to responsibly market loan products to lower income (low and very low), immigrant, and minority households. Minority households include Hispanic households.

5. IMPEDIMENT: Lower mortgage approval rates in areas of minority concentration and low-income concentration.

5.1. Action: Member jurisdictions will support home purchase programs targeted to households who wish to purchase homes in Census Tracts with loan origination rates under 50 percent according to the most recently published HMDA data.

5.2. Action: Member jurisdictions will encourage mortgage lenders to responsibly market loan products to households who wish to purchase homes in Census Tracts with loan origination rates under 50 percent according to the most recently published HMDA data.

## **Fair Housing Education and Enforcement**

6. IMPEDIMENT: Lack of knowledge of fair housing rights.

6.1. Action: Support efforts to educate tenants, and owners and agents of rental properties regarding their fair housing rights and responsibilities.

7. IMPEDIMENT: Discrimination in rental housing.

7.1. Action: Support efforts to enforce fair housing rights and to provide redress to persons who have been discriminated against.

7.2. Action: Support efforts to increase the awareness of discrimination against persons based on sexual orientation.

8. IMPEDIMENT: Failure to provide reasonable accommodation to persons with disabilities.

8.1. Action: Support efforts to educate tenants, and owners and agents of rental properties regarding the right of persons with disabilities to reasonable accommodation.

8.2. Action: Support efforts to enforce the right of persons with disabilities to reasonable accommodation and to provide redress to persons with disabilities who have been refused reasonable accommodation.

9. IMPEDIMENT: Lack of information on the nature and basis of housing discrimination.

9.1. Action: Monitor the incidence of housing discrimination complaints and report trends annually in the CAPER.

9.2. Action: Improve the consistency in reporting of housing discrimination complaints. All agencies that provide this information should do so in the same format with the same level of detail. Information should be available by the quarter year.

9.3. Action: Improve collection and reporting information on discrimination based on sexual orientation and failure to provide reasonable accommodation to persons with disabilities.

## **Government Barriers**

10. IMPEDIMENT: Lack of formal policies and procedures regarding reasonable accommodation.

10.1. Action: Jurisdictions which have not done so will adopt formal policies and procedures for persons with disabilities to request reasonable accommodations to local planning and development standards.

11. IMPEDIMENT: Transitional and supportive housing is not treated as a residential use subject only to those restrictions that apply to other residential uses of the same type in the same zone, and is not explicitly permitted in the zoning code.

11.1. Action: Jurisdictions which have not done so will amend their zoning codes to treat transitional and supportive housing types as a residential use subject only to those restrictions that apply to other residential uses of the same type in the same zone, and to explicitly permit both transitional and supportive housing types in the zoning code.

12. IMPEDIMENT: Permanent emergency shelter is not permitted by right in at least one appropriate zoning district.

12.1. Action: Jurisdictions which have not done so will amend their zoning codes to permit transitional and supportive housing by right in at least one residential zoning district.

### North Richmond Neighborhood Revitalization Strategy

The community of North Richmond (census tract 3650.02) is located in an unincorporated area of West Contra Costa County near San Pablo Bay, and is surrounded by the City of Richmond (census tracts 3650.01 and .02). North Richmond covers 900 acres of land, and has approximately 3,000 residents, the majority of which are minorities with very low-incomes. African American, Latino, and Asian residents make up more than 75 percent of the population. More than 52 percent of the residents are on public assistance, and almost 55 percent have not completed high school.

North Richmond has many indicators of economic and social distress including low income, high unemployment, illegal dumping, vacant and boarded up housing, high renter population, violence, high illiteracy rate and low educational achievement.

North Richmond was designated as a Redevelopment Area in July 1987. A few years later, the North Richmond Municipal Advisory Council (MAC) was formed to provide community input, structure, and to further the well-being and interests of North Richmond residents. The MAC provides recommendations to the County Board of Supervisors on policy matters that benefit the general public and North Richmond as a whole.

In August 1996, HUD approved the North Richmond Neighborhood Revitalization Strategy (NRS). The purpose of the NRS is to create opportunities for jobs and housing, viable neighborhood commercial areas, childcare, safe streets, and access to transportation. Since 1996 most of the objectives identified in the NRS have been met. In addition, the majority of projects originally identified in the NRS have been completed. This includes the completion and full occupancy of two housing developments – Community Heritage Apartments, a 52-unit senior development completed in fall 2000, and Parkway Estates, an 87-unit single-family housing project completed in fall 2001. The 3<sup>rd</sup> Street Corridor Transportation and Community Streetscape Improvement project was completed in June, 2004. The Agency also provided funding and assisted in leveraging federal funds to initiate the First Time Homebuyer and Individual Development Account programs in North Richmond.

Because of the dissolution of redevelopment, the County had to stop work completely on a major initiative. The North Richmond Specific Plan was expected to guide future land use development between Wildcat and San Pablo creeks. The plan called for the transformation of over 200 acres of underutilized land into a new residential neighborhood consisting of parks, open space, residential housing, mix-use development, commercial/retail outlets, public amenities, and infrastructure improvements.

The County has assumed the roles of the Housing Successor to the former Redevelopment Agency and expects to continue the support of the North Richmond Housing MOU to promote affordable housing in North Richmond. Alliance partners included Contra Costa County, the Redevelopment Agency of Contra Costa County, the City of Richmond, the City of Richmond Redevelopment Agency, Richmond Housing Authority, Contra Costa County Housing Authority, Community Housing Development Corporation of North Richmond and Local Initiatives Support Corporation (LISC). These organizations developed the 4<sup>th</sup> edition of this MOU to create new affordable housing and apartments for low income residents over the next 10 years. Part of this development includes the revitalization of the 224 unit Las Deltas Public Housing Development, several scattered site locations, the development of Heritage Point which is a mixed use residential and retail development on the eastern side of Third Street, and the North Richmond Town Center. Without redevelopment, other sources of funding to fill the gap left by the loss of redevelopment housing funds will need to be identified and the scale of the plan will likely be reduced.

In addition to housing, other major projects impacted by the elimination of redevelopment include:

- The completion of the North Richmond Truck Route Project to divert big rig trucks out of the residential neighborhood is on hold, pending alternative funding sources.
- Initiation of an area wide Industrial Infrastructure Improvement Plan to provide needed infrastructure improvements in the area north of Wildcat Creek and within the existing residential neighborhood will be modified.
- Implementation of infrastructure improvements in the residential neighborhood, using bond proceeds, is on hold, pending the identification of alternative funding sources.
- Implementation of the County's First Source Hiring Program to link local residents with North Richmond employers and job opportunities is expected to continue.

The County will continue to implement other existing programs and has allocated funding to the following projects that are targeted and/or directly benefit the North Richmond community:

14-08-PS North Richmond Multicultural/Senior Center  
14-18-PS After School Outreach Performing Arts Program  
14-20-PS El Cerrito High School Community Project  
14-22-PS Verde School Service Learning Program  
14-xx-IPF North Richmond Multicultural Senior Center Rehab Project  
14-xx-IPF Giaramita Street Sidewalk Replacement Project

## **Geographic Distribution**

CDBG, HOME, ESG, and HOPWA funds are awarded to projects and programs on a competitive allocation basis.

Consideration is given to project location to ensure that funds are allocated throughout the County while directing services to those areas and persons with the greatest need.

Though projects may serve the entire Urban County, as is the case with many Public Service projects, it is the intent of the program to target services to areas with the highest need such as a revitalization strategy area or a census tract that meets “area benefit”<sup>13</sup> criteria. In all cases, Subrecipients must demonstrate that they will be able to serve a minimum of 51 percent very-low and low-income persons or households. However, it has been the County’s practice to fund projects that serve a minimum of 75 percent extremely low, very low- and low-income persons or households. Further, established policy gives priority to housing projects that provide units affordable to and occupied by households with extremely low-income. These policies and practices have ensured that projects/programs serve those areas with the highest need.

Housing activities to meet Consolidated Plan priorities include new construction, rehabilitation, and preservation of existing affordable housing. These housing projects have the potential to either assist in neighborhood revitalization or provide de-concentration of low-income and/or minority populations by locating in areas with little supply of affordable housing.

Attachment A for HOME and CDBG provides a list of all projects approved for funding. The tables include the population to be served (seniors, youth, disabled, etc.) and geographic area to be served. It should be noted that for projects involving scattered-site housing rehabilitation a specific address or location cannot be provided since the location of properties are not yet known.

### Summary of FY 2014/15 Geographic Distribution

| <b>Project Category</b>          | <b>West County</b> | <b>East County</b> | <b>Central County</b> | <b>Urban County</b> |
|----------------------------------|--------------------|--------------------|-----------------------|---------------------|
| Affordable Housing               | 1                  | 1                  | 2                     | 3                   |
| Economic Development             | 2                  | 1                  | 0                     | 2                   |
| Infrastructure/Public Facilities | 4                  | 2                  | 2                     | 0                   |
| Public Service                   | 9                  | 3                  | 4                     | 15                  |
| <b>Totals</b>                    | <b>16</b>          | <b>10</b>          | <b>8</b>              | <b>20</b>           |

The highest numbers of low income and minority households are in West County, followed by East County and Central County (see Appendix 3 of the FY 2010-15 Consolidated Plan). Urban County projects are targeted to low income households throughout the County.

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<sup>13</sup> Some areas of the Urban County meet “Area Benefit” criteria, which means at least 51 percent (or as adjusted by the U.S. Department of Housing and Urban Development) of the residents in that area are very low and low-income persons.

## *Homeless and Other Special Needs Activities*

During FY 2014/15, the County will continue its efforts to maintain the availability of housing and services for the homeless in Contra Costa.

Based on information in the HMIS, 8,252 homeless individuals received services in FY 2013/14. A major factor contributing to problems of the homeless and special needs populations in the County is the lack of housing affordable to extremely-low and very-low income households as well as an inadequate supply of accessible housing. In addition, Contra Costa has been hit hard by the foreclosure crisis. The County's strategies to maintain and increase the supply of affordable housing are equally relevant as strategies to alleviate problems of these populations<sup>14</sup>. As further recognition of the housing needs of homeless and at-risk populations, in FY 1998/99, the Contra Costa Board of Supervisors adopted a policy to encourage the inclusion of units affordable to extremely-low income households in projects funded with CDBG and HOME funds. In addition, a minimum of five percent of all new housing built with County funds must be accessible to mobility-impaired households and an additional two-percent must be accessible to hearing/vision impaired. Wherever feasible, the County also requires the inclusion of accessible units in housing rehabilitation projects.

Strategies to improve housing affordability through direct payment assistance are also effective in preventing and alleviating homelessness among lower-income and special needs households. Therefore, the County will continue to pursue additional Section 8 vouchers, FEMA funds, Shelter Plus Care and other resources to assist the currently homeless and at-risk population in obtaining and maintaining permanent housing.

In addition to strategies to increase the affordable housing supply using CDBG, HOME, and HOPWA resources, the County Health Services Department will apply for HEARTH Act funds to maintain and expand programs and projects to serve the homeless, including families with children, youth leaving foster care, victims of domestic violence, and individuals with problems of substance abuse and mental illness. Potential projects include rental assistance for homeless individuals and families, continued operating support for permanent and transitional housing projects and multi-service centers, the potential development of additional permanent housing with support services for families, and a variety of support services (e.g., outreach, case management, education/job training, health services, counseling/parent education, substance abuse treatment and money management).

CDBG funds in the Public Service category are also targeted to support programs that offer a variety of services to the homeless and those at-risk of becoming homeless, as well as to special needs populations. In FY 2014/15, funds will be allocated for operating expenses of an emergency shelter for single adults as well as to programs that provide a homeless hotline, housing counseling and legal services, and food distribution. Support services such as client advocacy, job skills training, independent living skills training, respite care, counseling and case management, and nutrition education will be provided to the frail elderly, disabled, and the visually impaired. ESG funds will be allocated for adult and youth homeless shelters, transitional housing for victims of domestic violence, homeless support services and

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<sup>14</sup> Affordable Housing projects, including units affordable to extremely low and low income households are listed in Attachment A.

homelessness prevention and rapid rehousing activities, including case management and direct financial assistance. These services are available throughout the County.

During FY 2014/15, the County will continue to work with CCICH, a working group which is the result of a merger of the Homeless Interdepartmental Interjurisdictional Working Group and the Continuum of Care Board, as well as non-profit community and advocacy groups, the interfaith community, business organizations and other relevant community groups to implement key strategies identified in the five-year Continuum of Care Plan and the Ten Year Plan to End Homelessness. The County's Ten Year Plan to End Homelessness includes priorities to address three types of homeless populations: the chronically homeless, those discharged into homelessness, and the transitionally (or episodic) homeless people. This will include programs and projects to increase income and employment opportunities for homeless households, expand needed support services and programs to prevent homelessness, and increase the availability of housing affordable to extremely-low income households and homeless persons.

## **Other Actions**

### Additional Public Policies to Remove Barriers and Obstacles to the Provision of Affordable Housing

During FY 2014/15, the County will continue its efforts to remove or ameliorate public policies, which negatively impact affordable housing development in the Urban County. Specific efforts to be undertaken include the following:

- In conformance with the General Plan, the County will initiate zoning changes for residential and designated agricultural sites from current zoning designations to Planned Unit Development (P-1) in order to streamline the entitlement process for development applications and increase design flexibility.
- The County's Density Bonus Ordinance is fully consistent with the State Density Bonus Law. The County is required to grant one density bonus and incentives or concessions when an applicant for a housing development seeks and agrees to construct a housing development, excluding any units permitted by the density bonus that will contain at least one of the following: ten (10) percent of the total units of a housing development for lower income households; five (5) percent of the total units of a housing development for very low income households; a senior citizen housing development, or a mobile home park that limits residency based on age requirements for housing older persons; or ten (10) percent of the total dwelling units in a common interest development for persons and families of moderate income, provided that all units in the development are offered to the public for purchase.
- The Board of Supervisors adopted an Inclusionary Housing Ordinance (IHO). The IHO requires all developers of five or more units to provide 15 percent of the units at affordable costs to moderate, low or very-low income households depending on the type of project. Developers may pay a fee in lieu of providing the affordable units. Effective in 2009, the rental in lieu fee is suspended.

- The County will review and develop new regulations to permit the development of agriculturally related structures on agriculturally zoned land without a use permit in order to encourage the provision of onsite farmworker housing.

### Lead-based Paint Hazard Implementation Plan

The County will continue to protect young children from lead-based paint hazards in housing funded with CDBG, HOME, ESG, and HOPWA resources through the implementation of 24 CFR Part 35. The purpose of this regulation is to reduce or eliminate lead-based paint hazards in federally owned housing and housing receiving federal funds. All developers enter into legal agreements that include requirements for compliance with the lead-based paint regulation. The Neighborhood Preservation Program has developed a program specific lead hazard reduction implementation plan. All other projects will develop plans appropriate to the project type and level of funding received<sup>15</sup>.

### Decrease the Number of Poverty Level Households

The County and cities within it employ a variety of strategies to help alleviate poverty, including efforts to stimulate economic growth and job opportunities, and to provide County residents with the skills and abilities required to take advantage of those opportunities. This also includes implementation of Section 3 strategies to ensure employment and contracting opportunities for low and very low income persons or businesses residing within the community where a HUD-funded project is located. The County, and a majority of cities actively work to attract and retain businesses. Many are involved in revitalization efforts for their downtown areas utilizing a variety of strategies such as infrastructure and façade improvement programs, the State Main Street Program, and the preparation of revitalization plans to guide future development. The County, through its various departments, provides services and supports programs that promote personal responsibility, independence and self-sufficiency.

### Department of Conservation & Development

One of the responsibilities of the County's Department of Conservation & Development (DCD) is the management of the CDBG, HOME, ESG and HOPWA programs. Many CDBG and HOME funded programs are geared toward helping lower-income persons find and maintain stable housing, receive training for jobs that provide a livable wage, and access support services that are needed to attain self-sufficiency.

By Board guidelines, 14 percent of the annual grant amount is set aside for economic development activities. Programs funded under the Economic Development category are intended to assist businesses with expanding economic opportunities for lower-income persons and to increase the viability of neighborhood commercial areas. As listed in Attachment A: Economic Development, several job training and placement have been approved for funding.

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<sup>15</sup> The requirements of 24 CFR Part 35 vary for different project types (e.g. tenant-based rental assistance, acquisition, and rehabilitation). The requirements for rehabilitation depend on the level of federal assistance (e.g. less than \$5,000 per unit, \$5,001 to \$25,000 per unit, and over \$25,000 per unit.)

In addition to economic development activities, the County works with other jurisdictions and local non-profits to provide emergency and transitional housing, and support services necessary to assist the homeless in achieving economic independence.

## Redevelopment Agency

Effective February 1, 2012, the State of California eliminated all of its redevelopment agencies. The County had a redevelopment agency with five different redevelopment project areas: Bay Point, Contra Costa Centre, Montalvin Manor, North Richmond, and Rodeo. Redevelopment was one of the most effective ways to breathe new life into deteriorated areas plagued by social, physical, environmental or economic conditions, which act as a barrier to new investment by private enterprise. The County's redevelopment areas had received focused attention and financial investment to reverse deteriorating trends, create jobs, revitalize the business climate, rehabilitate and add to the housing stock, and gain active participation and investment by citizens which would not otherwise occur.

## Employment and Human Services Department

The County Employment and Human Services Department (EHSD) is responsible for providing services to adults, children, families, and the elderly. Bureaus within EHSD that directly relate to the reduction of poverty include the Workforce Services, Children and Family Services, and the Workforce Development bureaus. Other programs administered by EHSD, that indirectly support economic self-sufficiency and are intended to provide assistance to families and persons to lead productive lives include, but are not limited to: 1) the Family Preservation Program, which emphasizes keeping families together in a safe, nurturing environment and providing them with skills that will last when they leave the program; and 2) Service Integration Teams that provide services to increase the economic self-sufficiency of families, improve family functioning, and expand community capacity to support children and families.

## Workforce Development Board

The Workforce Development Board (WDB) of Contra Costa is a public policy body appointed by the County Board of Supervisors to oversee the strategic planning and policy development of the County's workforce development system. The Board is composed of business, labor, economic development, public agencies, education, and community-based organizations. The Board has also designated the WDB as the oversight body for the County's CalWORKS policy to ensure full integration of the area's workforce development system. The WDB has responsibility to oversee the provision of workforce services through its four One-Stop Business and Career Centers, and Affiliate Sites.

## One-Stop Career Centers

Contra Costa County, in collaboration with Alameda County, has developed a system of One - Stop Career Centers, under the name of East Bay Works ([www.eastbayworks.org](http://www.eastbayworks.org)), to serve both job seekers and employers. The One-Stop Career Centers offer comprehensive workforce

development and labor market information. Job seekers and workers find resources needed to plan or advance a career, or simply to find a job. The One-Stops, through its partner agencies offer an array of job related services which include; skills assessment and training, career counseling and workshops, online resume posting and job referrals, internships and on-the-job training, childcare, transportation and health care information. Four One-Stop Career Centers have been established in the County. One-Stops are located in the cities of San Pablo (West County), Concord (Central County) and Brentwood and Antioch (East County). The City of Richmond also operates two One-Stops. The WDB has designated a consortium of agencies including; California departments of Employment Development and Rehabilitation, Community Colleges, Adult and Continuing Education, Job Corps, County departments of Conservation & Development and Community Services, and the California Human Development Corporation to act as the Operators of the Centers.

### General Assistance

The General Assistance (GA) program provides temporary assistance to adults 18 years and older who are ineligible for federal or state-funded cash assistance programs. The program is designed to meet the minimum needs of County residents who are unemployed or disabled. The GA program also provides advocacy services to permanently disabled GA recipients and CalWORKS adults to help them through the application process for Social Security Disability, Supplemental Security Income (SSI), or Social Security programs. Cash assistance for the aged, blind and disabled legal immigrants who do not qualify for federal SSI because of welfare reform changes is also available.

### Contra Costa Economic Partnership

The Contra Costa Economic Partnership (CCEP) is a coalition of business, government and education leaders dedicated to creating and retaining businesses that will lead to quality jobs for Contra Costa to maintain the county's quality of life. Its strategy calls for streamlining the permitting process, developing a long-term plan to retain business and attract new industry, linking education and training to required job skills, improving the infrastructure, and developing new jobs and affordable housing near employment centers. Through programs in research, marketing and entrepreneurial support, the CCEP provides valuable resources to business and industry.

### Develop Institutional Structure

During FY 2013/14, the County will continue to work with the cities and other public and private agencies and organizations to implement strategies designed to accomplish the affordable housing and community development objectives identified in the FY 2010-15 Consolidated Plan<sup>16</sup>. Specific actions to be undertaken by the County include the provision of resources and technical assistance to public agencies and the non-profit and for-profit community in developing, financing and implementing programs and projects consistent with the County's annual and five-year plans. In addition, the County will work with the cities and other agencies

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<sup>16</sup> The institutional structure through which the County's affordable housing and community development programs are implemented is described in detail in the County's FY 2010-15 Consolidated Plan.

to establish an informal cooperative network to share resources and facilitate development in the Urban County and Consortium area.

### Enhance Coordination between Public and Private Housing

The County's efforts to coordinate activities and strategies for affordable housing development and the provision of emergency and transitional housing and supportive services include cooperative planning efforts as well as participation in a number of countywide housing and service provider organizations. Planning efforts to be undertaken during the current program year include the following:

- Contra Costa Consortium members continue to work on strategies and actions designed to overcome identified impediments and eliminate problems of housing discrimination in Contra Costa.
- The CCICH advisory board works with Contra Costa jurisdictions, public and private agencies, the interfaith community, homeless advocacy groups and other community organizations to implement the Continuum of Care Plan, which includes strategies and programs designed to alleviate homelessness, and the Ten Year Plan to End Homelessness.

In addition to the above, the County participates in a number of countywide housing and service provider organizations, which are intended to share resources and coordinate strategies and programs for affordable housing and community development activities. These organizations include the Association of Homeless and Housing Service Providers, the Tri-Valley Affordable Housing Subcommittee, the Contra Costa HIV/AIDS Consortium, the Children and Families Policy Forum, Non-Profit Housing Association, and the Workforce Development Board.

### Foster Public Housing Improvements and Resident Initiatives

HACCC will continue to undertake activities to rehabilitate and maintain the County's public housing through HUD's Capital Fund Program (CFP) and operating subsidy. HACCC anticipates an allocation of \$1.6 million in CFP funds for FY 2014/15.

The following improvements are planned by HACCC in the FY 2014/15 grant year:

- Management and Administration: HACCC will continue to focus on maintaining a security presence in its developments through resident services programs such as the Young Adult Empowerment Center and community law enforcement strategies. The Authority will also aggressively seek to provide Section 3 opportunities for low income persons and enhance resident training opportunities, particularly in projects funded by the CFP grant.
- Living Environment: During FY 2014/15, approximately \$1.6 million in resources will be used by HACCC for a variety of modernization improvements at thirteen developments. Specific improvements include comprehensive modernization and

rehabilitation of vacant units at various sites, infrastructure repairs at one property, and site lighting improvements at another development.

### Public Housing Resident Initiatives

**Resident Services:** Resident Services is an important means of providing residents' conduits to service providers and activities, including the identification of appropriate resident educational services; health and safety services; and, non-profit or governmental agency activities designed to move households from welfare to work and greater independence. HACCC has active resident services at three of the thirteen Public Housing Developments located in Contra Costa County. These resident services provided office and meeting facilities for moving to work participants, child care or after school programs for children of working parents, equipment and materials as funding allows; and technical assistance from non-profit or governmental agencies as needed.

Quarterly or semi-annual town hall meetings are organized at the developments in an effort, among other goals, to develop resident leaders and solicit participation in resident service programs. Over the past year, there has been renewed interest by residents at other developments to develop stronger resident service programs at the El Pueblo (Pittsburg), Los Arboles (Oakley), Casa de Mañana (Oakley) and Los Nogales (Brentwood).

**Resident Councils:** The Bayo Vista Resident Council members operate a lunch program for school age children during the summer months when children are not attending school. The Bayo Vista residents continue to support the YMCA of the East Bay which operates an after school program for families at the Bayo Vista Development. Plans have been initiated to create active Resident Councils at El Pueblo (Pittsburg) and Los Arboles (Oakley).

### Rental Assistance Programs (RAP):

For the FY 2014/15 the total resource for the Section 8 program will be \$77,818,409. The Housing Authority's aim is to administer the Section 8 Housing Choice Voucher Program to permit the widest range of housing opportunities for low-income Contra Costa County residents. To help meet this goal, the Housing Authority has sub-programs that target special populations and neighborhood revitalization efforts. A description of these programs is provided below:

**Housing Choice Voucher Program (HCV):** The Housing Authority Housing Choice Voucher program currently administers 6,268 vouchers and projects to administer 6,353 vouchers by fiscal year end which will represent 100% of budget utilization. This number of units also represents nearly 93.6% of the 6,783 vouchers authorized by HUD.

**The Family Self Sufficiency Program (FSS):** FSS combines housing assistance and social services to enable families to pursue employment, job training, or other education that will lead them toward self-sufficiency. The ultimate goal is to free families from public assistance after five years. A Family Self Sufficiency Action Plan has also been adopted by the agency and forwarded to HUD. The Housing Authority has 158 families currently participating in the FSS

program of which 82 families, or about 54%, have escrow balances that could be used toward down payment on a house, continuing education, or other goal oriented uses.

**Shelter Plus Care (SPC):** This program provides rental assistance and a full range of services to homeless individuals who are mentally ill, have chronic alcohol or drug abuse problems, or have AIDS or related disorders. A broad base of community service providers and the County Health Department supports the program. The Housing Authority's Shelter Plus Care program currently provides housing assistance to 287 individual/families. There are 39 households in the Shelter Plus Care program that are also participating in the Project Coming Home program. Project Coming Home is a unique grant that provides specific housing and services to indigent/homeless singles.

**Moderate Rehabilitation Program (MR8):** This program provides project-based subsidized rental assistance to eligible tenants for a time negotiated by the property owners in a contract with HUD and administered by the Housing Authority. There are currently 24 units leased with 28 units under contract.

**Project Based Assistance (PBA):** In 2011/12, HACCC selected four additional developments based on a competitive RFP process conducted by the County Redevelopment Department. HACCC submitted commitment letters to enter into Housing Assistance Contracts (HAP) with each of the four project's owner for an initial term of fifteen years for each contract unit. The proposed property sites are designed to serve senior & disabled clients in Concord, Martinez, Lafayette & Orinda. The Lafayette property (45 units) has been completed and is fully occupied. The Martinez property (48 units) & Orinda property (66 units) are nearing completion and will be occupied later this year.

## **Additional Requirements**

### Monitoring Plan

#### Housing Projects and Programs

The Contra Costa County DCD is responsible for the administration and management of the CDBG, HOME, ESG, and HOPWA programs, which provide assistance for affordable housing and homeless shelters. All projects funded through these programs are monitored by DCD to ensure that the projects achieve their approved objectives in a manner consistent with federal regulations, and the Consolidated Plan. DCD's monitoring procedures consist of the following:

- Prior to funding consideration, all project applications are reviewed to ensure consistency with federal regulations, the Consolidated Plan, the Analysis of Impediments to Fair Housing Choice, and the County Housing Element.
- Following funding approval, project sponsors are required to attend a meeting with County staff to discuss the project funding and implementation process, applicable federal regulations, County affordability restrictions and procedures during the

compliance period. Following this meeting, the County and project sponsor enter into project agreements which specify project objectives, scope of work, eligible activities, performance targets, project budget, implementation time frame, federal regulatory requirements<sup>17</sup>, and monitoring and reporting requirements. In addition, all housing development funds are provided to projects in the form of a loan or grant with applicable federal regulations and affordability and use restrictions incorporated into the loan or grant documents and effective throughout the loan or grant term.

- The County and the other entitlement jurisdictions within the County have developed a Performance Outcome Measurement System framework in response to CPD Notice 03-09. Performance measurement outcome indicators will be included in the legal documents and each project will be monitored and evaluated on meeting the performance measurement outcome indicator.
- During project implementation, project sponsors are required to submit periodic progress reports detailing project progress, significant development problems, project funding and expenditures, outreach to women and minority-owned businesses, Section 3 Plan progress and affirmative marketing activity. In addition, projects are monitored as applicable for compliance with federal accounting and procurement standards, labor and construction standards, relocation, affirmative marketing, equal opportunity, fair housing, and other federal requirements. Projects are also subject to an onsite performance and/or financial audit review on a selective basis.
- Following project completion, project sponsors are required to submit project completion reports identifying: project accomplishments; population served, including data on household characteristics (e.g., size, income, and ethnicity); rent and/or housing affordability; and total sources and uses of funds.
- Affordable housing development projects (e.g., acquisition, rehabilitation, new construction) must also submit annual compliance, including financial, reports throughout the period of required affordability. These reports are designed to ensure continued compliance with federal regulations, affordability and use restrictions, and other requirements as specified in project loan documents. In addition, all HOME and CDBG-assisted rental projects will be subject to periodic onsite inspections to ensure continued program compliance.
- On-site property managers and supervisors are encouraged to attend an annual pre-HOME monitoring technical assistance meeting where all aspects of the monitoring are covered; including physical inspections, reading and understanding the regulatory agreement, insurance requirements, proper income verification, lease requirements, affirmative marketing, etc.

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<sup>17</sup> Includes compliance with federal regulations concerning; equal opportunity and fair housing; affirmative marketing displacement, relocation and acquisition; procurement; labor; lead-based paint; conflict of interest; debarment and suspension; the environment; historic preservation; and flood insurance.

- Financial reports and tenant rosters are reviewed on an annual basis. Physical inspections take place at least once every three years for HOME funding projects. Projects that show financial or physical weaknesses are monitored annually until the properties show significant improvement.

## Non-Housing Community Development Projects and Programs

Monitoring procedures for non-housing projects and programs are similar to those described for Housing projects and programs and include:

- Prior to funding consideration, all applications are reviewed for consistency with federal regulations, the County's Consolidated Plan, and Board of Supervisor policies. Following funding approval, new Subrecipients are required to attend a mandatory meeting to become familiar with program standards, County requirements, and federal regulations. Project sponsors are also required to enter into agreements that specify objectives, scope of work, applicable timelines and performance targets, budget, federal, state and local regulatory requirements, and monitoring and reporting requirements.
- During project implementation, project sponsors are required to submit quarterly progress reports detailing project progress toward objectives, problems and/or resolution to meeting goals, quantitative participation data by ethnicity, income, and household status. In addition, project sponsors are required to provide updated sources and uses budgets with each quarterly demand for payment. Projects are also subject to an onsite performance and financial audit review. Staff completes a Grantee Monitoring Risk Analysis for each project to determine those that will undergo an onsite monitoring.
- The County and the other entitlement jurisdictions within the County have developed a Performance Outcome Measurement System framework in response to CPD Notice 03-09. In addition, agencies applying for FY 2014 /15 funds were required to develop a work plan including a description of program components, expected outcomes, and performance measurements. Specific performance measurements will be included in the contract for services and each project will be monitored and evaluated on meeting those performance measurements.
- Quarterly reports and payment requests are reviewed for compliance with the Project Agreement, budget consistency and documentation of expenditures. Project sponsors are advised of any procedural errors and/or ineligible activities, and provided with technical assistance as needed.
- Upon project completion, project sponsors are required to submit completion reports identifying: program/project accomplishments, quantitative data, including number of persons or households served, ethnicity, income level, and a final sources and uses budget.

In the Public Services and Economic Development categories , the County seeks to coordinate activities for the efficient provision of services in the following ways:

- In order to streamline and minimize paperwork, the County and the other Consortium members, except Pittsburg, agreed to extend the current two-year funding cycle for Public Service and Economic Development projects for a third year. All members used a standardized application with one application deadline. . Additionally, all Contra Costa County CDBG entitlement jurisdictions require the same quarterly reporting form and deadline schedule.
- The County follows a strategy of supporting programs that provide a variety of complementary and integrated services to targeted areas, and ensures that service providers are aware of other organizations that may augment their program.
- The County also participates with other County departments and non-profit organizations efforts to collaborate on the provision of services.

### Limited-English Proficient Populations/Language Assistance Plan

According to the 2010 Census and American Community Survey, 33 percent of Contra Costa County's population speaks a language other than English. The two main non-English languages spoken in Contra Costa County are Spanish (17.5 percent) and Asian and Pacific Island languages (9.3 percent). Approximately 70 percent of Contra Costa County's Hispanic population speaks Spanish, and 45 percent of Hispanics who speak Spanish, speak English "less than very well". In addition, 59 percent of Contra Costa County's Asian and Pacific Islander populations speak a language other than English, and according to a sampling, 23 percent of the Asian and Pacific Islander population speaks English "less than very well". Therefore, Contra Costa County does have a significant limited-English proficient (LEP) population, both Asian and Hispanic.

In order to address and to better serve Contra Costa LEP residents, the County has developed a Language Assistance Plan (LAP) in accordance with HUD's Final Guidance (Federal Register/Vol. 72, No. 13, January 22, 2007) and Executive Order 13166. The goals of the LAP are: 1) to provide meaningful access for the County's LEP residents through the provision of free language assistance for the CDBG, HOME, ESG, and HOPWA programs; 2) to provide an appropriate means to ensure the involvement of LEP residents that are most likely to be affected by the programs and to ensure the continuity of their involvement; 3) to ensure that the County's CDBG, HOME, ESG, and HOPWA staff will assist the County's LEP population in obtaining the necessary services and/or assistance requested or needed.

For FY 2014/15, the County will continue being proactive on many fronts with the implementation of the LAP. The County's mailing list of interested parties, which is used to announce funding availability and general participation in the CDBG, HOME, ESG and HOPWA programs, contains over 500 agencies including many agencies that target services to specific populations (minorities, disabled, and the LEP populations). The County's staff will continue to access timely translation services, including having a Spanish-speaking CDBG person currently on staff and by utilizing outside language assistance agencies when limited-

English speaking citizens call to inquire about the various programs available. The County will continue the process of translating vital documents that are critical for ensuring meaningful access to the County's major activities and programs by beneficiaries generally and LEP residents specifically. The County continually monitors Subrecipients to ensure funded agencies are doing whatever is possible so that limited-English speaking residents have full and complete access to services.

## **Summary of Public Participation Process**

On February 25, 2014, a public meeting was held before the Contra Costa County Board of Supervisors (Board) on the proposed allocation of FY 2014/15 CDBG-Housing, HOME and HOPWA funds as recommended by the Affordable Housing Finance Committee. The Board unanimously approved the funding recommendations in the Affordable Housing category.

On May 6, 2014, another public meeting was held before the Board on the proposed allocation of FY 2014 /15 CDBG, HOME, and ESG funds. The Board considered the recommendations for funding of FY 2014 /15 projects from the Board's Family and Human Services (public service and ESG projects) and Finance (economic development and infrastructure/public facilities projects) Committees. (Insert action of the Board after the meeting)

The County is in the fourth year of the FY 2010/11 – 2014/15 Consolidated Plan. Progress is being made in meeting the goals and objectives contained in the Consolidated Plan. Most of the FY 2013/14 projects are underway. Performance and outcomes will be fully reported in the FY 2013/14 Consolidated Annual Performance and Evaluation Report (CAPER). The County met HUD's Line of Credit Ratio requirement by the April 1, 2014 deadline.

During the year CDBG and ESG "Public Service" projects continued to provide a wide range of social services and housing to low income Urban County residents and households, including the homeless, mentally and physically disabled, youth, seniors, victims of domestic violence, and other special needs populations. "Economic Development" projects continued to offer training and placement services to low income persons and assisted existing small businesses expand or helped create new businesses. The County funded ten "Infrastructure / Public Facility" projects during the year and expects nine of the ten to be completed by the end of the current fiscal year (FY 2013/14). In the Housing category, one project previously funded is seeking additional financing in order to begin construction. The County anticipates one of the four new construction projects will begin construction in 2014.

In addition, the County continued to administer programs/projects funded through the Housing and Economic Recovery Act (HERA) with the Neighborhood Stabilization Program. The County has met all federal deadlines.

## **ATTACHMENT A - PROJECT TABLES**

**ATTACHMENT B – PERFORMANCE MEASUREMENTS CHART**

**ATTACHMENT C – CERTIFICATIONS**

## **ATTACHMENT D— HOMEBUYER ASSISTANCE PROGRAM**

The Contra Costa Consolidated Plan has established a priority to increase homeownership opportunities for very-low and low-income households in the Consortium area. Programs and projects which will be considered for funding under this component include the following:

- Homebuyer assistance in connection with new housing developments to ensure that a portion of the units will be affordable to and occupied by low-income households;
- Homebuyer assistance in connection with acquisition and rehabilitation of existing single-family housing; and
- Projects designed to increase neighborhood stability and improve the quality of housing through an increased incidence of homeownership in an identified target area.

In the latter case, the total financing package for the project may include funds for rehabilitation as well as acquisition of the residence.

### **Homebuyer Eligibility Requirements**

Households receiving homebuyer assistance must be first-time homebuyers<sup>18</sup> with household incomes at/below 80 percent of area median income. All assisted households must agree to occupy the acquired unit as their principle place of residence throughout the loan period; no temporary subleases will be permitted. Housing payments (e.g. mortgage principal and interest, property insurance, and taxes) may not exceed 35 percent of the homebuyer's annual income, or 40 percent of their income including anticipated utility costs (not including phone or cable). The homebuyer's total debt (e.g. housing costs and credit card, car loans, and student loans) may not exceed 50 percent of their annual income. Homebuyers must complete a pre-purchase homebuyer education class.

### **Property Standards**

Homes purchased using County assistance must pass housing quality inspections, or must have a rehabilitation plan and identified source of funds to repair the unit and bring it up to standard.

The appraised value of units acquired with HOME funds shall not exceed 95 percent of the median purchase price of housing in Contra Costa County (currently \$350,000 for a single-family home).

### **Types of Assistance**

The County will provide a deferred second mortgage designed to fill the gap between the purchase price of the home, plus reasonable closing costs, and the amount the buyer can afford based on household income. Specifically, the amount of the second loan will equal the purchase price of the unit plus reasonable closing costs minus the sum of the first mortgage, the homeowner's downpayment<sup>19</sup>, and any other sources of available subsidy. NSP loans will be limited to up to fifteen percent of the purchase price. In this way, the County will provide just

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<sup>18</sup> The following types of households may also qualify for assistance even if they are not first-time homebuyers; a single parent with custody of one or more minor children; a displaced homemaker; the owner of a home which does not meet local codes and cannot be brought into compliance for less than the cost of new construction; or the owner of a manufactured home which is not affixed to a permanent foundation.

<sup>19</sup> In general, homebuyers will be required to provide a minimum downpayment of 3 to 5 percent. Higher downpayments will be encouraged. Downpayment may be in the form of sweat equity or grants or gifts from other sources.

enough subsidy to make the home affordable to the low-income buyer. All home loans will be secured by a promissory note and deed of trust specifying affordability and resale requirements.

The first mortgage loan must be a fully amortized, fixed interest loan with no balloon payments. The total loan to value ratio may not exceed 100 percent of the purchase price. The homebuyer must provide either a minimum three percent downpayment, or a sweat equity contribution.

The County may fund first-time homebuyer programs and projects, which are consistent with the above requirements and employ one of the following approaches:

1. A shared equity loan program designed to recapture the County subsidy upon sale or transfer of the property; or
2. A silent second loan program with resale restrictions to maintain affordability and ensure acquisition of the unit by another qualified homebuyer.

Both programs must fully comply with the previously described Consortium requirements and all applicable HOME Program regulations (24 CFR Part 92.254) concerning resale requirements.

These two approaches are described in more detail below:

Shared Equity Loan Program. Under this approach, County funds may be used to provide deferred second loans to qualified low-income first-time homebuyers. Shared equity loans are due at the end of the loan term on sale or transfer of the property. Upon resale, the homebuyer must repay the County the amount of the second plus a share in the appreciation of the unit. Unit appreciation is defined as the difference between the original acquisition price and the resale price. The County's share of the appreciation or "equity share" will equal the amount of the County second loan divided by the original acquisition price. All remaining appreciation accrues to the seller.

For example, assume a first-time homebuyer acquires a home priced at \$195,000 and \$5,000 in closing costs with the following financing:

- a. Homeowner downpayment of \$10,000;
- b. First mortgage of \$178,000; and
- c. HOME/NSP silent second in the amount of \$12,000.

The County's equity share upon resale is equal to six percent of the appreciation in the unit (\$12,000 divided by \$200,000). Assume the owner sells the unit in five years for \$240,000, resulting in a total appreciation in value of \$40,000. Upon resale, the owner must repay the County loan (\$12,000) plus the County's share of the appreciation realized on the unit (6 percent of \$40,000 or \$2,400). After paying off the first mortgage, the owner receives the value of his original investment (downpayment plus principal pay down) and all remaining appreciation (\$37,600 in the example)<sup>20</sup>. In the event that the unit does not appreciate, the County will receive only the amount of the silent second (\$12,000) upon resale. If the unit depreciates in

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<sup>20</sup> If a first-time homebuyer undertakes significant capital improvements on a unit acquired with HOME funds, appreciation upon resale will equal the resale price minus the original acquisition price minus the value of the improvements.

value and the homeowner has adequately maintained the unit, the County will reduce the silent second loan repayment proportionately.

County funds recaptured as a result of the repayment of shared-equity loans will be deposited in a Housing Development Assistance Fund for use in funding future housing projects.

Silent Second Loan Program with Resale Restrictions. County funds may be used to provide silent second loans to low-income first-time homebuyers who meet all the requirements previously specified. Depending on financial need and the specific objectives of the program or project, loans may be zero or low-interest. In addition, units purchased with assistance through this program component must be maintained as a part of the affordable housing stock for the following minimum time periods: 20 years for newly constructed units; 15 years for existing units. Affordability will be maintained through the following resale restrictions, which must be incorporated into the loan documents securing the County funds:

1. County retains right of first refusal to acquire unit in resale situation.
2. Sales price to equal the lesser of the current appraised value or the original acquisition price (plus the value of any capital improvements) times the change in area median income which has occurred during the period of ownership. This approach maintains the integrity of the household's original investment in the unit and represents a fair return.
3. Upon sale to a qualified household, the first buyer must repay the amount of the silent second plus accrued interest, if any. The County will consider first-time homebuyer programs, which forgive the interest after expiration of the minimum required period of affordability (e.g., 20 years for new construction).

In a resale situation, the County will work with homeowners to identify eligible purchasers to acquire the assisted units. While the County will not require the second purchaser to be a first-time homebuyer, priority will be assigned to low-income households in this category.

During the period of required affordability, the unit will be maintained as affordable to households earning 70 percent of area median income<sup>21</sup>. In order to ensure continued affordability, the County will provide a new silent second to the new purchaser in the same amount and with the same terms and conditions as provided to the first buyer. If additional funds are required to maintain affordability, the second buyer will be required to be a first-time homebuyer and a new period of affordability will be initiated.

### Refinancing Requirements

The County will subordinate to a new first lender under the following circumstances:

- The new loan is a fully amortizing fixed rate mortgage with no balloon payments
- The subordination is to first lien position loan
- There are no additional seconds/equity lines of credit allowed (whether or not the County

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<sup>21</sup> Payment of principal, interest and insurance (PITI) will not exceed 40 percent of the gross monthly income of a household earning 70 percent of AMI with the following exception. PITI equal to 40 percent of actual gross monthly income for HOME –eligible households earning from 70 to 80 percent of AMI will considered to be affordable.

is subordinating)

- The total debt on property does not exceed 90 percent of the restricted resale value.
- The County determines the resale value based on the formula in the resale restriction
- No cash out refinances are allowed. Subordinations will be approved only for better rate and term. (Cash out refinances are allowed if the County loan will be paid off with interest.) The affordability requirements still will remain in place.
- The Subordination Agreement must be signed by lender.

## **ATTACHMENT E—AFFIRMATIVE MARKETING PROCEDURES**

The objective of affirmative marketing within the context of the CDBG, HOME, HOPWA, and ESG Programs is to promote equal access to housing by all groups within the relevant market area. In order to accomplish this objective in accordance with federal regulations the County has adopted the following policies and measures:

1. Methods for informing the public, owners, and potential tenants about the CDBG, HOME, HOPWA, and ESG Programs, federal fair housing laws, and the County's affirmative marketing policy. Information concerning the availability of funding, housing opportunities, and fair housing and affirmative marketing requirements will be distributed to: the general public; all jurisdictions and housing agencies located in the County; nonprofit and for-profit owners and developers of affordable housing; and minority and public interest groups representing the County's disadvantaged populations. Methods of distribution will include:
  - a. Press releases to the local news media.
  - b. Notices concerning County programs and available resources to be posted on County website with links to detailed program descriptions, application procedures, requirements and other relevant information.
  - c. Information describing the CDBG, HOME, HOPWA, and ESG Programs, on the County website.
  - d. Meetings and workshops with potential applicants for HOME funds (e.g., cities, developers, current operators and owners of affordable housing).
  - e. Meetings and workshops with representatives of minority and other disadvantaged groups in Contra Costa County, including CDBG subrecipients.
  - f. The County will maintain records concerning the above activities, including copies of press releases, affirmative marketing materials distributed, and workshops and meetings held with the above groups and organizations.
2. Requirements and practices owners of assisted housing must adhere to in order to carry out the County's affirmative marketing procedures and requirements. The County will require owners of federally-assisted housing to comply with federal fair housing law and employ the following affirmative marketing activities:
  - a. Advertise the availability of assisted units on an equal opportunity basis in local newspapers and community newsletters, such as those published by minority groups, neighborhood churches, public service organizations, etc.; and on bulletin boards in community gathering spots (e.g., community center, church, supermarket, laundromat, fair housing/housing counseling agency, and employment office).

- b. Contact appropriate neighborhood and community organizations and representatives of minority and other disadvantaged groups to solicit tenants and provide information about the availability of the assisted units on an equal opportunity basis.
  - c. Display the Equal Housing Opportunity logo at the project location and in all advertisements pertaining to assisted units.
3. Special outreach procedures to be used by owners of assisted units to solicit applications from hard-to-reach populations who may not otherwise apply for residence in these units.
- a. In conducting the advertising and outreach activities described in 2.a and b above, owners of assisted units will be required to solicit the cooperation of appropriate organizations in the relevant market area in identifying hard-to-reach populations and informing prospective tenants from these groups of the availability of the units on an equal opportunity basis. Organizations which may be particularly effective in this effort include community churches, social service organizations, housing and homeless service providers, and minority and senior citizen groups. As appropriate, owners may request organizations to assist in distributing marketing information concerning the availability of rental units through newsletters, group meetings, and organization and community bulletin boards.
  - b. Again, all advertisements, workshops, meetings and notices concerning the assisted-units will emphasize that the units are available on an equal opportunity basis.
4. Record keeping requirements. The County will require recipients of federal funds to keep records concerning affirmative marketing activities. These records must include copies of advertisements placed in newspapers/newsletters and on local bulletin boards, as well as lists of community groups and organizations contacted to solicit tenants. Recipients will also be required to keep information on relevant tenant characteristics, including ethnic composition, income, household size, and age and sex of head of household.
5. Assessment of affirmative marketing activities. The County will require the information compiled in 4 above to be reported annually as a component of the project monitoring process. Affirmative marketing activities will be evaluated to ensure that an adequate level of activity is maintained. Tenant characteristics will be compared with population characteristics in the market area as a further indicator of the effectiveness of the affirmative marketing program and the absence of discrimination. Where discrepancies exist, the County will work with the project owner to determine whether additional affirmative marketing measures are required.

Requirements concerning affirmative marketing and fair housing compliance will be incorporated in contract and loan agreements for all assisted projects. The County will document any complaints received concerning a project recipient's failure to abide by all fair housing and equal opportunity laws. All such complaints will be carefully evaluated to determine their validity. In the event that a violation is identified, the County will inform the recipient and take appropriate action to ensure that the situation is corrected.

## **ATTACHMENT F—MINORITY AND WOMEN'S BUSINESS OUTREACH PROGRAM**

It is the policy of Contra Costa County that Minority-owned Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs)<sup>22</sup> shall have the maximum opportunity to participate in the performance of contracts and projects funded through the CDBG, HOME, HOPWA, and ESG Programs. Services provided under such contracts may include, but are not necessarily limited to: real estate; construction; appraisal; property management; lending; investment banking; underwriting; accounting and legal representation and advice.

1. In order to implement this policy within the context of federally-funded programs, affirmative marketing procedures will be employed by DCD to ensure that appropriate MBE/WBEs are notified of the availability of federal funds and potential contracting opportunities. These procedures include the following:
  - a. Maintenance of a list of MBE/WBE certifying agencies for use by the County and prime contractors for funded projects. The list is currently available through DCD.
  - b. Distribution of information concerning the CDBG, HOME, HOPWA, and ESG programs and potential contracting opportunities through meetings and other contacts with local resource organizations currently employed by the County in soliciting MBE/WBE participation in County projects. These organizations include, but are not limited to the following: Filipino Chamber of Commerce of Contra Costa County; Hispanic Chamber of Commerce of Contra Costa County; National Association of Women Business Owners; Contra Costa Builders Exchange; Daily Pacific Builder; and the Chinese American Chamber of Commerce.
  - c. Where economically feasible, total project requirements will be divided into smaller tasks or quantities to permit maximum participation by MBE/WBEs. In addition, the County will endeavor to establish delivery schedules for projects which encourage MBE/WBE participation.
  - d. As appropriate, use the services and assistance of the Small Business Administration and Minority Business Development Agency of the Department of Commerce.
2. In addition to the above measures, the County will also require project sponsors and prime contractors receiving funds under the CDBG, HOME, HOPWA and ESG programs to solicit and use qualified MBE/WBEs for subcontract services wherever feasible. All project contracts will contain a clause requiring contractors to notify applicable MBE/WBE firms of available contracting and/or subcontracting opportunities. Notification requirements include

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<sup>22</sup> An eligible MBE is a business entity at least 51 percent owned and whose management and daily business operations are controlled by one or more minorities who are citizens or lawful permanent residents of the United States and a member of a recognized racial or ethnic group (Black, Hispanic, Asian or Pacific Islander, American Indian or Alaskan Native). Similarly, an eligible WBE is a business entity at least 51 percent owned and whose management and daily business operations are controlled by one or more women who are citizens or lawful permanent residents of the United States.

advertising in a local newspaper and/or trade publication, direct mailing to local resource organizations, etc.

3. DCD will maintain centralized records concerning the use and participation of MBE/WBEs as contractors and subcontractors on all funded projects. In addition to information on MBE/WBEs which contract directly with the County for purposes of the specified programs, the Department will require all Subrecipients to maintain records and report annually on the participation of MBE/WBEs as subcontractors on projects.