



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** JULY 7, 2020

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** KENNETH A. DOMER, CITY MANAGER

**PREPARED BY:** MATT FOULKES, DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT  
KELLE FRIEZAL, DEPUTY DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT

**SUBJECT:** JOINT RECIPIENT COOPERATION AGREEMENT FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT, FOR FISCAL YEARS 2021-22, 2022-23, 2023-24

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### **SUMMARY**

The County of Orange, Housing and Community Development, administers the County and Non-Entitlement City Community Development Block Grant (CDBG) programs. The County has created a Joint Agreement process that would allow Entitlement City's like Fullerton to participate with the County and shift a portion of the administration responsibilities of CDBG funds in exchange for up to ten percent of the administration funding allocation. The City would continue to receive HOME funds directly.

### **RECOMMENDATION**

Approve Joint Recipient Cooperation Agreement for Community Development Block Grant, for Fiscal Years 2021-22, 2022-23, 2023-24 and authorize City Manager and City Clerk to sign.

### **PRIORITY POLICY STATEMENT**

This item matches the following Priority Policy Statement:

- Fiscal and Organization Stability.

## FISCAL IMPACT

There is no fiscal impact to the General Fund. The program is federally-funded. The City will continue to receive its Entitlement Allocation and the County will receive up to ten percent of the administration portion of the funds.

## DISCUSSION

The City of Fullerton is an Entitlement City under the Housing and Urban Development (HUD) program. The Entitlement City designation applies to metropolitan cities over 50,000 in population and allows Fullerton to receive CDBG and HOME allocations directly from HUD. HUD has many guidelines and numerous reporting requirements to utilize the funds. Currently, the City utilizes staff and consultants to assist in the administration of the CDBG funds. The County of Orange has developed a Cooperation Agreement that will allow the City of Fullerton to maintain Entitlement City status and receive HOME funds directly, but to have the County assist in the administration and reporting of the City's CDBG allocation. CDBG allows 20 percent of the allocation to be utilized for administration and fair housing. The Agreement would authorize ten percent to go to the County for administration and fair housing services while the other ten percent would come to the City for its portion of administrative costs. The Agreement would be effective starting in Fiscal Year 2021-22 through Fiscal Year 2023-24.

Through the Joint Agreement, the County would be responsible for many of the annual reports, which includes the Five Year Consolidated Plan, Annual Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER) and Citizen Participation Plan. In addition, the County would provide Davis Bacon Act (prevailing wage) reporting, Section 3 compliance, Environmental Clearance and support the City and the City's CDBG sub-recipients.

The City will still receive its full allocation of CDBG funds (minus the 10 percent administration) and utilize the existing City process for assessing and recommending sub-recipients. The City would continue its current practice and release a Request for Proposals / Projects for CDBG Funding and the Community Development Citizens Committee will make recommendations for CDBG funding to the City Council.

By utilizing the County for substantial portions of the administration and reporting requirements of CDBG, the City will reduce its dependence on consultants for CDBG administration and can redirect those efforts for various CDBG and HOME projects. The Agreement has a three-year term during which time staff will monitor and report on any impacts of this change and make a recommendation to either continue with the County or revert back to administering the CDBG program by the City.

## Attachments:

- Attachment 1 – Joint Recipient Cooperation Agreement