

TO: JAMES L. APP, CITY MANAGER  
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR  
SUBJECT: 2000 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM  
DATE: JANUARY 18, 2000

Needs: For the City Council to decide which applications for the City's 2000 Community Development Block Grant (CDBG) funds should be recommended in the *Draft* One Year Action Plan *and* to confirm the date for the public hearing on the 2000 CDBG Program

- Facts:
1. The City's 2000 allocation of CDBG funds will total about \$440,000. Of this, \$286,000 will come directly from the US Department of Housing and Urban Development (HUD) and \$154,000 will come from repaid CDBG-funded residential rehabilitation loans.
  2. January 3, 2000 was the deadline for submittal of applications for 2000 CDBG funds. As of that date, the City received 11 applications. The total amount for the 11 applications comes to about \$750,000. Attached is a table which summarizes the applications. Binders containing all of the applications will be available at the Community Development Department counter and in the Council's office.
  3. The City receives its allocations of federal CDBG funds through the County of San Luis Obispo. The County takes the lead role in administration of the CDBG program. This includes the preparation, adoption and annual updating of a "Consolidated Plan", which HUD approves following adoption by the County Board of Supervisors. Under a cooperation agreement with the County, the City retains the right to decide how its allocation of CDBG funds will be used.
  4. In late January, the County will publish a Draft "Consolidated Plan", which will list all of the activities that are recommended for consideration by the city councils and Board of Supervisors at public hearings to be conducted in March 2000.
  5. It is proposed that, at its meeting of January 18, 2000, the City Council review all of the applications and recommend those applications to be listed in the Draft Consolidated Plan as being recommended for funding.
  6. The Draft Consolidated Plan will be considered by the Council at a public hearing to be conducted on March 7, 2000. At that hearing, the Council may consider any of the applications filed by January 3, whether or not they are recommended for funding in the Draft Consolidated Plan.
  7. CDBG regulations stipulate that at least 70% of all funds be spent on activities that benefit low income persons, and that no more than 30% may be spent on activities that eliminate blight. The \$440,000 are available to be divided among the proposed activities, as shown below:

\$246,400 for programs/projects that benefit low income persons (70%)  
\$105,600 for programs/projects that eliminate blight (30%)  
\$ 88,000 for administration  
\$440,000 Total 2000 CDBG allocation

8. The Consolidated Plan will also address the usage of Federal Home Investment Partnership Act (HOME) and Emergency Shelter Grant (ESG) funds, to which the County as a whole (but not the individual cities) is (are) entitled. The City has filed an application for \$300,000 in HOME funds for a First-Time Homebuyers Loan Program, for which the City's Redevelopment Agency would provide \$100,000 in matching funds from the Low and moderate Income Housing (LMIH) Fund.

Analysis and  
Conclusion:

There are many more applications than there will be CDBG funds to support. Criteria upon which decisions on which activities to fund are varied, complex and include: number of persons to benefit, overall benefit to the City, public health benefits and so forth.

Attached is an analysis of the 11 CDBG applications, which proposes two funding options for the Council to consider. If the Council desires to fully complete those projects initiated with prior years' allocations of CDBG funds and minimize impacts to the General Fund, it would be appropriate that the following applications be listed in the Draft Consolidated Plan for funding with 2000 CDBG funds:

- Public Improvements to Low Income Neighborhoods (Park Street) (\$117,000);
- Carnegie Library Disabled Access Improvements (\$129,400);
- Skate Park (\$105,600).

If the Public Improvements to Low Income Neighborhoods application is not approved, a portion of street overlays scheduled for Fiscal Year 2001/2002 may have to be postponed as the Council has approved an advance of General Funds from the Capital Improvement Budget to enable the project to proceed in early 2000.

If the Carnegie Library Disabled Access Improvements application is not approved, the continued museum use of the building would be in violation of the Americans with Disabilities Act, for which the City may be liable.

If the Skate Park application is not approved, the project would be completed with the Park Development Impact Fees already advanced, which would not then be available for other park improvements. Option "b" assumes that the Council would be willing to seek fewer CDBG funds to reimburse the Park Development Impact Fee Fund in order to support the establishment of a domestic violence center in the City.

Regardless of which activities are listed in the Draft Consolidated Plan as being recommended for funding, the Council will have the authority to approve any of the submitted applications for CDBG funds following a public hearing scheduled for March 7, 2000.

Approval of the application for \$300,000 in HOME funds will be an action that only the County Board of Supervisors can take. On March 7, 2000, the City Council will be

requested to adopt a resolution making recommendations to the Board of Supervisors on how all of the County's allotment of HOME funds should be allocated.

Policy

Reference: Federal regulations for the Community Development Block Grant Program

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Impact: Participation in the federal CDBG Program has involved and will continue to demand a commitment of staff resources. Utilizing CDBG funds for the allowable administrative expenses avoids adverse impacts on the City's General Fund.

Options: Subject to public testimony, that the City Council set march 7 as the public hearing date for approval of the Year 2000 CDBG Funding Program and identify the following applications to be listed in the Draft One Year Action Plan as being recommended for funding:

- a. Public Improvements to Low Income Neighborhoods (Park Street)..... \$117,000  
 Carnegie Library Disabled Access Improvements..... \$129,400  
 Skate Park..... \$105,600  
\$352,000
  
- b. Public Improvements to Low Income Neighborhoods (Park Street)..... \$117,000  
 Carnegie Library Disabled Access Improvements..... \$129,400  
 Paso Robles Women's Shelter ..... \$ 20,000  
 Skate Park..... \$ 85,600  
\$352,000
  
- c. Amend, modify or reject the proposed list of activities.

Prepared by:



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Housing Programs Manager

Attachments:

1. Table Summary of the 11 Applications for 2000 CDBG Funds
2. Facts and Analysis for 2000 CDBG Applications

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## CITY OF PASO ROBLES: 2000 CDBG APPLICATIONS

#	Program/Project	Brief Description	Sponsor (Applicant)	Amount Requested	National Objective (& funds available)	
					Low Income Benefit (\$246,400)	Blight Elimination (\$105,600)
1	Public Improvements to Low Income Neighborhoods (Park Street Improvements)	Construct curbs, gutters, sidewalks on Park Street, between 28 <sup>th</sup> and 34 <sup>th</sup> Streets	City of Paso Robles	\$117,000	X	
2	Carnegie Library	Install Disabled Access Improvements (elevator and restroom)	City of Paso Robles	\$129,400	X	
3	Paso Robles Domestic Violence Shelter	Rehabilitate a house to become a domestic violence shelter	North County Women's Resource Center	\$20,000	X	
4	Gang Prevention Specialist	Staff Position (CDBG funds to be a match for a grant from the Bureau of Justice Administration)	Boys & Girls Club of North SLO County	\$17,000	X	
5	Boys & Girls Club Teen Center	2 Year lease for a building to be a teen center (in a separate building from the Boys and Girls Club)	Boys & Girls Club of North SLO County	\$40,000	X	
6	Home Repair Program	Grants of construction labor and materials to make minor repairs to residences occupied by low income, elderly and disabled.	Economic Opportunity Commission	\$30,000	X	
7	Special Olympics Community Outreach	Outreach coordinator position	Special Olympics of SLO County	\$5,000	X	
8	Youth Arts Foundation: Off-Site Improvements	Construct curbs, gutters, sidewalks and underground utilities for Youth Arts Foundation Center	City of Paso Robles	\$75,000	X	
9	Skate Park	Reimburse City for Advance of Park Development Impact Fees to complete Skate Park	City of Paso Robles	\$105,600		X
10	Installation of Street Lights in the Downtown	Install "historic" street lights	City of Paso Robles	\$105,600		X
11	Alley Improvements in the Downtown	Install alley improvements where none exist	City of Paso Robles	\$105,600		X
<b>TOTAL REQUESTED</b>				<b>\$750,200</b>	<b>\$433,400</b>	<b>316,800</b>

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## FACTS AND ANALYSIS FOR 2000 CDBG APPLICATIONS

### ACTIVITIES THAT BENEFIT LOW INCOME PERSONS

1. Public Improvements to Low Income Neighborhoods (Park Street): The project consists of constructing street improvements (curbs, gutters, sidewalks, and related improvements in Park Street, between 28<sup>th</sup> and 34<sup>th</sup> Streets and in front of 721 - 28<sup>th</sup> Street. According to the 1990 US Census, 81% of the persons residing in the neighborhood served by the project are low income.

\$157,687 in 1997 CDBG funds have already been allocated to this project (an were originally thought to be sufficient to complete it). However, following preparation of design plans and solicitation of bids, it has been determined that the total cost of the project, including design services, construction administration, construction contract (lowest bidder) and contingencies (10%) will be about \$274,224. Therefore, an additional \$117,000 in 2000 CDBG funds are being requested as being necessary to complete the project.

These improvements would provide direct benefit to the residents of 190 dwelling units, 148 of which are in Oak Park Public Housing. The project area is without adequate street improvements, which contributes to the following problems in the neighborhood:

- a. Lack of improved and safe pedestrian paths (i.e., sidewalks) on routes between the neighborhood and local elementary and middle schools;
- b. Ponding of storm water on the west side of Park Street, resulting in a build-up of mud and weeds, which is unsightly and hazardous to pedestrians;
- c. Lack of a finished appearance to the public street, which contributes to poor property maintenance and an overall lack of pride in the neighborhood;
- d. Lack of safe handicapped access in the neighborhood.

The City Council has advanced \$117,000 in Capital Improvement Funds that were earmarked for street overlays in Fiscal Year 2001/2002, with the intention of seeking to have the advance reimbursed with 2000 CDBG funds.

2. Disabled Access Improvements for the Carnegie Library: This project consists of installing an elevator and an accessible restroom to enable the Carnegie Library building to continue to be used as a public museum and comply with the Americans with Disabilities Act (ADA). Presently there is no means by which disabled persons with mobility limitations can access the main floor or an interior restroom.

CDBG regulations consider the severely disabled to be a "limited clientele" that is principally low income. According to the 1990 Census, there were 633 persons, aged 16 years or older, with mobility limitations living in the City of Paso Robles. It is estimated that there were about 780 City residents in this category as of December 31, 1999.

\$100,600 in 1998 CDBG funds have already been allocated to this project. According to a preliminary cost estimate prepared by an architectural firm, at least \$230,000 will be needed to complete the project. Therefore, an additional \$129,400 is requested.

3. Paso Robles Women's Shelter: The North County Women's Resource Center and Shelter are in the process of establishing a domestic violence shelter in Paso Robles. CDBG regulations consider battered spouses and abused children to be a "limited clientele" that is principally low income.

The applicants have requested a grant of \$20,000 to make expected repairs and necessary modifications to an existing residence.

The North County Women's Resource Center reports that, in 1999, 57% of the clients at their Atascadero Shelter came from Paso Robles and that many prospective clients had to be turned away when the shelter was full. The City Council has made provisions to allow this use in the multi-family zones without the need for a conditional use permit.

4. Boys & Girls Club Gang Prevention Specialist: The Boys & Girls Club of North SLO County has requested \$17,000 to hire a person to be a gang prevention specialist, in what appears to be a type of outreach program. Records maintained by the Boys and Girls Club indicate that more than 51% of their members come from low income households.

The application states that CDBG funds are intended to serve as a catalyst (indication of community support) to procure additional (future) funding from the federal Bureau of Justice Administration. The application does not mention any intent for this position to be a one-year position, nor is it clear that alternative sources of funding for future years will be obtained.

Please note that, to date, the City has not used CDBG funds to support on-going programs that would likely request annual funding. To approve this request would be to set a new pattern of spending and potentially enter in to a continuing commitment.

5. Boys & Girls Club Teen Center: The Boys & Girls Club of North SLO County has requested \$40,000 to lease a building for two years to serve as a separate ("stand alone") teen center (where younger children would not be present, as they are at the Boys & Girls Club). Records maintained by the Boys and Girls Club indicate that more than 51% of their members come from low income households.

The application states that CDBG funds are intended to serve as a catalyst (indication of community support) to procure additional (future) funding from Taco Bell's Teen Supreme Program, which has made grants of up to \$40,000 per year for three-year periods. The application also states that such funding cannot be applied for unless a dedicated space of 2,000 square feet or more is available for the purposes of operating a teen center.

The application does not propose funding plans for the scenario in which a grant from Taco Bell is not obtained, or, if such a grant is obtained, for continuation of operation of such a center once the grant has run out. Should such scenarios transpire, the City could be pressured into providing funding to maintain the teen center. Please note that, to date, the City has not used CDBG funds to support on-going programs that would likely request annual funding. To approve this request would be to set a new pattern of spending and potentially enter in to a continuing commitment.

6. Economic Opportunity Commission's Home Repair Program: The EOC has requested \$30,000 from the City as part of an overall request of \$270,000 from the County and other CDBG-participating cities (Atascadero, San Luis Obispo, Arroyo Grande and Grover Beach) to provide grants of construction labor and materials to make minor repairs (valued at \$2,000 or less) to

residences occupied by low income, elderly and disabled. EOC will use matching funds from other sources such as PG&E, Southern California Gas Co., State of California Low Income Energy Assistance Program, etc. Their goal is to assist 150 households county-wide.

The EOC filed similar applications with the City in 1997, 1998 and 1999. The City Council chose not to fund this program in those years. Staff is unaware of any conditions that may have changed that would support funding this program in 2000.

7. Special Olympics Community Outreach: Special Olympics of San Luis Obispo County has requested \$5,000 from the City as part of an overall request of \$30,000 from the County and other CDBG-participating cities (Atascadero, San Luis Obispo, Arroyo Grande and Grover Beach) to fund an outreach worker position. CDBG regulations consider the severely disabled to be a "limited clientele" that is principally low income.

The application reports that there are an estimated 580-1,800 developmentally-disabled persons in the County that currently do not "reap the benefits" of the Special Olympics program. The application does not mention any intent for this position to be a one-year position, nor does it propose alternative sources of funding for future years.

Please note that, to date, the City has not used CDBG funds to support on-going programs that would likely request annual funding. To approve this request would be to set a new pattern of spending and potentially enter in to a continuing commitment.

8. Youth Arts Foundation Center - Off-Site Improvements: This project consists of constructing curb, gutter and sidewalk and undergrounding existing overhead utilities at the site of Paso Robles Youth Arts Foundation's Youth Activities Center, to be located on the northwest corner of Spring and 32<sup>nd</sup> Streets. This center is located in the heart of a neighborhood recognized by the US Census in which 81% of the residents are low income.

\$135,000 in 1999 CDBG funds were allocated to this project for the purchase of the site from the Redevelopment Agency. The Paso Robles Youth Arts Foundation has offered to donate \$300,000 to the construction of a 5,000 square foot center that will house a variety of youth activities, including dance and theatrical programs as well as the teen program that is currently operated by the City in the George Stephan Center at Oak Park Public Housing. The Foundation has also offered to provide \$100,000 per year over a 5 year period to operate the programs at the Center.

The City has budgeted this project for completion with General Funds. However, if CDBG funds were allocated to construction of the off-site improvements, the City could divert the budgeted General Funds to other worthy public projects.

#### ACTIVITIES THAT SERVE TO ELIMINATE BLIGHT

9. Skate Park: The project consists of constructing a Skate Park in Pioneer Park. The project will serve to eliminate blight by offering a safe venue for skateboarding and in-line skating, which has proven to be an attractive nuisance on downtown sidewalks and parking lots, and by providing a diversion from gang activity.

A total of \$97,618 from 1996 and 1998 CDBG funds have already been allocated to this project, and \$17,000 in private donations have been raised. However, following preparation of design plans and

solicitation of bids, it has been determined that the total cost of the project, including design services, construction administration, construction contract (lowest bidder) and contingencies (10%) will be about \$227,600. Therefore, an additional \$113,000 are necessary to complete the project.

Desiring to complete the project in a single phase and to achieve long-term cost savings, the City Council advanced \$113,000 in City Park Development Impact Fee Funds (which were not earmarked for any specific project) with the intention of seeking to have most of the advance reimbursed with 2000 CDBG funds. Since only \$105,600 of the City's allotment of 2000 CDBG funds may be spent on projects that serve to eliminate blight, that amount is requested for the skate park project.

10. Installation of Street Lights in the Downtown: The project consists of installing "historic" street lights in the downtown as a means of eliminating blight. A petition signed by 20 downtown merchants states that the existing street lighting on Pine and 12th Streets is inadequate for maintaining public safety for the downtown's pedestrian clients. Norma Moye, Main Street Director, has verbally added that additional lighting is also needed on Park Street, between 12th and 14th Streets.

A total of \$52,000 from in 1997 and 1999 CDBG funds have already been allocated to this project and circuit design plans are presently being prepared. It is estimated that there is a need for as many as 36 historic lights in the downtown. At an estimated cost of \$5,000 per light, which would include materials, design, installation (labor for setting light standards, trenching, laying conduit, and replacing sidewalk) and contingency fees, 36 lights would cost \$180,000.

An additional \$105,600 is requested to supplement the \$52,000 already allocated. \$105,600 is the maximum amount of the City's allotment of 2000 CDBG funds that may be spent on projects that serve to eliminate blight. This request is an option to allocating the same amount of 2000 CDBG funds for the Skate Park Project.

11. Installation of Alley Improvements in the Downtown: The project consists of installing alley improvements (pavement, "Vee gutter" and concrete alley approaches) in the Downtown where none exist. Several downtown alleys have been improved in part (e.g. for one-third to one-half of their length). The application includes a list of 12 eligible alleys for which the total cost to complete the improvements is estimated to be about \$350,000.

\$26,500 in 1999 CDBG funds have already been allocated to the alley improvement program. Additionally, the City has budgeted \$55,000 of its General Fund moneys for downtown alley improvements. The requested \$105,600 could, therefore, together with the funds already allocated, complete the improvements on about half of the listed 12 alleys .

The lack of alley improvements creates hazards for vehicles, drainage and dust problems, and is unsightly. The improvement of alleys can not only correct the immediately-apparent blighting conditions, but can also do much to further the City's efforts to revitalize the downtown.

\$105,600 is the maximum amount of the City's allotment of 2000 CDBG funds that may be spent on projects that serve to eliminate blight. This request is an option to allocating the same amount of 2000 CDBG funds for the Skate Park Project or the Historic Street Lights Project.