

TO: James L. App, City Manager
FROM: Bob Lata, Community Development Director
SUBJECT: 2004 Community Development Block Grant (CDBG) Program
DATE: March 11, 2004

Needs: For the City Council to conduct a noticed public hearing and decide which activities are to be approved for funding with the City's 2004 Community Development Block Grant (CDBG) funds.

- Facts:
1. The City expects to have \$398,378 in CDBG funds available for activities in 2004. Of this amount, \$334,964 are the City's 2004 allotment of CDBG funds, \$55,500 are "program income" from repaid CDBG-funded residential rehabilitation loans, and \$7,914 are unused 2003 CDBG funds that had been allocated to the Alley Rehabilitation Project and which need to be re-allocated.
 2. Of the total of \$398,378 in CDBG funds, \$320,378 will be available for projects and programs, and \$78,000 would be used for program administration.
 3. In October 2003, the City received 21 applications for 2004 CDBG funds. As explained in Fact #12, below, a 22nd application was added by the City to provide a Seismic Mitigation Fund. Attached are a table and a narrative "Summary of the 2004 CDBG Applications", both of which summarize the 22 applications.
 4. Binders containing all of the applications are available at the reference desk in the Library, at the public counter/reception desk at City Hall, and in the Council's office.
 5. CDBG regulations stipulate that at least 70% of each year's funds be spent on activities that benefit low income persons, that no more than 30% may be spent on activities that eliminate blight, and that 20% of the total may be spent for administration.
 6. CDBG regulations also provide that no more than 15% of each year's funds *may* be used for public service activities. In 2004, this 15% cap would amount to \$58,570. (The \$7,914 in unused 2003 CDBG fund to be re-allocated are not eligible for inclusion in the 15% calculation.) Public service activities are classified as benefiting low income persons.
 7. If the \$398,378 in CDBG funds are allocated per the ratios mentioned above, the allotments would be as follows:

\$160,155 for projects that benefit low income persons (70%)
\$ 58,570 for public services (also a part of the 70% that benefits low income)
\$101,653 for activities that eliminate blight (30%)
\$ 78,000 for administration
\$398,378 Total CDBG allocation
 8. At its meeting of November 18, 2003, the City Council directed that the Draft One Year Action Plan for spending the City's allotment of 2004 CDBG funds include the

projects listed below. The total amount was based on an estimate of the amount of 2003 CDBG funds available at that time.

\$ 45,000 for the operation of the proposed North County Homeless Shelter;
\$ 4,650 for Caring Callers
\$ 4,650 for DREAM
\$ 4,650 for HHP's Homeless motel voucher program
\$160,450 for additional rehabilitation of the Municipal Pool House;
\$ 95,000 for elevator (disabled access) in the ACORN (Mastagni) building
\$ 78,600 for program administration.
\$393,000

9. It should be noted that the City Council is not obligated to approve the draft plan, and may, upon completion of a public hearing, approve any of the applications.
10. After November 18, 2003, the Acorn Building was so severely damaged by the San Simeon Earthquake that it had to be demolished. Although the City could award CDBG funds to help rebuild the building, the entire construction job would be subject to prevailing wages, the cost of which would far outweigh a grant of \$95,000. Hence, it would make more sense to re-allocate those funds.
11. Also, the City has recently learned that County staff does not recommend allocating any of the County's share of 2004 CDBG or Emergency Shelter Grant funds to the Economic Opportunity Commission's (EOC) proposed North County Emergency Shelter. The City of Atascadero has not yet indicated that it will provide funds to support the operation of this public service project. The City Council's preliminary allocation of \$45,000 in 2004 CDBG funds to this public service project was made contingent upon the County and the Cities of Paso Robles and Atascadero collectively providing sufficient funds to operate the proposed facility at a rate of \$200,000 per year.
12. As a result of the earthquake, the City has the ability to use CDBG funds for projects and programs that respond to urgent needs created by the earthquake. Possible uses of CDBG funds to address these needs would include:
 - a. Providing a pool of funds that may be used as local matches for FEMA funds for repair of public facilities should such matches be necessary or if FEMA will not fully-fund a project that the City proposes. (e.g. FEMA may not fully-fund the degree of seismic retrofitting that the City will desire for the Carnegie Library Building.)
 - b. Re-establishing a grant program to assist owners of unreinforced masonry (URM) buildings to prepare or update seismic strengthening plans. (Not all owners of URM buildings participated in the previous CDBG-funded grant program. Additionally, the City is scheduled to consider updating its current seismic ordinance; new retrofitting standards may be adopted, generating a need to update the seismic strengthening plans prepared under the previous CDBG-funded grant program to the standards of more recent codes.)

Both of the above programs would be considered as "blight elimination" programs, subject to a limitation on the amount of CDBG funds that can be allocated in any year.

13. Since November 18, the City has awarded a contract for Phase One improvements to the Municipal Pool Project. There is a need to allocate \$65,000 in 2004 CDBG funds to complete all of the alternates for the current contract (including reimbursing the City for \$27,000 in Facility Maintenance Funds advanced by the Council on February 17). Additionally, the Council may wish to allocate CDBG funds for Phase Two improvements, which could include the following:
 - a. Install a handicapped lift to help the municipal pool comply with the Americans with Disabilities Act. This component is estimated to cost \$55,000.
 - b. Re-roof the Therapy Pool, which is estimated to cost \$250,000. That amount of funds would be too great to complete with 2004 CDBG funds. However, funds could be allocated for that purpose and “held” until more CDBG funds can be allocated in 2005. (This is the funding approach the City has taken for the Municipal Pool, Carnegie Library, and other large projects.)
14. A public hearing on the Draft One Year Action Plan has been set for the Council's meeting of March 11, 2004. A notice of the public hearing was published in the *Tribune* on March 4. Copies of this staff report were mailed to all applicants for 2004 CDBG funds on February 27.
15. The One Year Action Plan is an annually-updated chapter of a larger “Consolidated Plan”, which is a 5 year plan required by federal regulations governing the CDBG, HOME and Emergency Shelter Grant Programs. The most current Consolidated Plan was adopted by the County Board of Supervisors in March 2000.

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 and complex. The criteria used by the City Council for making CDBG funding decisions in prior years include those listed below. It should be noted that the Council has not applied each of the listed criteria for every funded activity.

- Thoroughness of an application, not only in the amount of information provided, but in the resources committed by/available to an applicant to carry out the project in a timely manner; (In general, CDBG funds should be able to be spent within 1.5 years of their availability.)
- Overall benefit of an activity to the City, including the number of persons to benefit from an activity given the amount of funds requested;
- Public health and safety benefits of an activity (including ability to eliminate blight);
- Whether the amount of funds requested is so large that, if an activity was funded, it would preclude other worthy activities from being funded. In such cases, the Council may wish to divide an activity into components that can be carried out over 2 or more years. Examples include the Carnegie Library Disabled Access Project (funded over 4 years) and the Skate Park and Park Street Improvements Projects (funded over 2 years).
- The need for additional allocations of CDBG fund to complete activities initiated in prior years;

- In the past two years, the Council has made awards for public services, and some for more than one year's operating funds (e.g. Homeless Housing Project's Motel Voucher Program and EOC's Senior Health Program).

As noted under Fact #9, above, the Council is not obligated to approve the draft plan, and may, upon completion of a public hearing, approve any of the applications, provided that statutory limits for certain types of activities are not exceeded.

Two options have been prepared for the Council's consideration.

- Option A allocates the maximum amount of CDBG funds that can be used for blight elimination for a seismic mitigation fund that can be used for local matches to FEMA funds, if necessary, to repair public facilities damaged by the San Simeon Quake or to resume the seismic structural study grant program for owners of unreinforced masonry buildings. This option also eliminates the allocation to the EOC Homeless Shelter from this year's funding, but retains allocations to those public services that were indicated on November 18. All remaining funds would be allocated to the Municipal Pool Changing Room Rehabilitation project to complete Phase One improvements and to complete and/or reserve funds for Phase Two improvements..
- Option B also allocates the maximum amount of CDBG funds that can be used for blight elimination for a seismic mitigation fund as described for Option A. This option also allocates the maximum amount of CDBG funds that can be used for public services. The proposed distribution for public services would be significantly more than earmarked on November 18, 2003. The amount and distribution would be similar to that allocated in 2003, but adding the two new applications selected by the Council on November 18 (DREAM and Caring Callers).

Details for the two options appear at the end of this staff report.

The Council is not obligated to approve the above-described options. The Council may choose to consider applications not listed among those in Options A or B. However, it is necessary that the Council make a decision on the 2004 allocation on March 11, as the whole schedule for applying to HUD for the 2004 allocation depends on that date.

Policy

Reference: Federal regulations for the Community Development Block Grant Program

Fiscal

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

Options: Upon completion of a public hearing, take one of the following actions:

- Option A: Adopt Resolution 04-xx allocating the City's allotment of 2004 CDBG funds and \$7,914 in unspent 2003 CDBG funds as follows:

Homeless Housing Project’s Motel Voucher Program.....	\$ 4,650
Caring Callers.....	\$ 4,650
DREAM	\$ 4,650
Municipal Pool Changing Room Rehab.....	\$204,775
Seismic mitigation fund	\$101,653
Program administration	<u>\$ 78,000</u>
	\$398,378

b. Option B: Adopt Resolution 04-xx allocating the City’s allotment of 2004 CDBG funds and \$7,914 in unspent 2003 CDBG funds as follows:

Homeless Housing Project’s Motel Voucher Program.....	\$ 24,000
Caring Callers.....	\$ 4,650
DREAM	\$ 4,650
EOC’s Senior Health Screening Program.....	\$ 4,000
EOC’s 40 Wonderful Program.....	\$ 1,700
EOC’s Teen Academic Parenting Program.....	\$ 3,000
Boys & Girls Club Operations	\$ 4,000
Lifestyles Drug & Alcohol Counseling Program.....	\$ 4,000
Big Brothers/Big Sisters Mentoring Program.....	\$ 6,000
Literacy Council’s Literacy Program.....	\$ 2,570
Municipal Pool Changing Room Rehab.....	\$160,155
Seismic mitigation fund	\$101,653
Program administration	<u>\$ 78,000</u>
	\$398,378

c. Amend, modify or reject the proposed activities listed in this report.

Prepared By:

Ed Gallagher
Housing Programs Manager

Attachments:

1. Resolution adopting Option “A”
2. Resolution adopting Option “B”
2. List of 21 Applications (Table)
3. Summary of 2004 CDBG Applications
4. Newspaper Notice

SUMMARY OF 2004 CDBG APPLICATIONS

ACTIVITIES THAT BENEFIT LOW INCOME PERSONS

1. Municipal Pool Changing Room Rehabilitation, Phase 2: **\$204,775.** This project is initiated by the City of Paso Robles and consists of continuing work to rehabilitate the changing room building at the Municipal Pool at 28th and Oak Streets. \$65,000 is needed to complete all of the bid alternates for a contract approved on January 21, 2004 (for Phase One improvements); \$55,000 is the estimate for installing a handicapped lift; the remaining funds would be reserved for the re-roofing the Therapy Pool end of the building. The latter two items are Phase Two improvements.

The Municipal Pool serves the recreational swimming needs of the residents of the West Side of the City. According to the 2000 US Census, 65% of the households residing in the West Side are low income (earning 80% or less of the County Median Income).

The Municipal Pool is located in the Redevelopment Project Area, and the Redevelopment Implementation Plan lists deteriorating and unsafe buildings as conditions contributing to blight. This project, therefore, would also serve to eliminate blight.

2. LED-Lighted Crosswalks: **\$100,000.** The project consists of installing two LED-lighted crosswalks: one at the intersections of 26th & Spring Streets and one at the intersection of 17th and Spring Streets.

Both of these intersections are located in, and serve the pedestrian needs of, the West Side of the City. According to the 2000 US Census, 80% of the households residing in the West Side are low income (earning 80% or less of the County Median Income).

These intersections are located in the Redevelopment Project Area, and the Redevelopment Implementation Plan lists inadequate public improvements as a condition contributing to blight. This project, therefore, would also serve to eliminate blight.

3. 28th Street Improvements: **\$102,390.** This project is initiated by the City to support the development of proposed new low-income senior housing at Oak Park Public Housing. Installation of curbs, gutters, sidewalks, and street lights will be a requirement for the housing project. The City has previously used CDBG funds to install such improvements along the Park Street frontage of Oak Park and neighboring properties. The benefactors of the project would be the low income seniors to live in the housing project, as well as the current residents of Oak Park Public Housing, all of which are low and moderate income.

\$20,610 in 2002 CDBG funds were allocated for the design of these improvements.

This application is not included in either Option A or Option B because, on October 31, County Planning Staff verbally informed City staff that they are recommending that the Board of Supervisors grant an additional \$600,000 in federal HOME funds to this project (bringing the total of 2003 HOME funds for this project to \$700,000). With such an amount of federal funding, in addition to the \$545,000 in Redevelopment Low and Moderate Income Housing Funds already approved for this project, it would appear to be equitable to allocate limited public funds to other projects.

4. North County Emergency Shelter: **\$58,950.** This project is initiated by the City of Paso Robles and consists of providing a share of the annual operating costs for the proposed 32 bed North County Emergency Shelter to be built in Atascadero by the Economic Opportunity Commission of San Luis Obispo County (EOC). (EOC has requested that the Cities of Paso Robles and Atascadero and the County contribute to the annual operating costs of this facility.)

This facility would benefit the homeless, which are considered by federal regulations to be low income.

5. Acorn Building Rehabilitation: **\$164,564.** This application was filed by Mary Mastagni to rehabilitate the "Acorn" Building at 1214 Park Street by installing an elevator to make the building accessible to the physically disabled.

This building was severely damaged in the December 22, 2003 San Simeon Earthquake to the extent that the building had to be demolished. CDBG funds could be used to help rebuild the building. However, the entire construction job would have to be subject to payment of prevailing wages, which would very likely raise the total cost of reconstruction significantly beyond the amount of CDBG funds granted.

6. Alcohol & Substance Abuse Counseling Program: **\$12,000**. Lifestyles Recovery Center has established requested funds for operating expenses for their drug and alcohol counseling services for low income persons and for a volunteer training program. The applicants project that they expect to serve 200 low income households per year.

The City has supported this program since 2002. In 2003, it allocated \$6,100 in CDBG funds for this activity.

7. Senior Health Screening Program: **\$5,000**. This program is initiated by EOC and requests the City to contribute its share (\$5,000 of \$20,000) to operate a county-wide senior health screening program, which is expected to serve 900 low income seniors.

The City has supported this program since 2001. In 2003, it allocated \$5,000 in CDBG funds for this activity.

8. Forty Wonderful Program: **\$2,000**. This program is initiated by EOC and requests the City to contribute its share (\$2,000 of \$8,000) to operate a county-wide health screening program restricted to serving about 100 low income women.

The City has supported this program since 2001. In 2003, it allocated \$2,000 in CDBG funds for this activity.

9. Teen Academic Parenting Program: **\$3,600**. This program is initiated by EOC and requests the City to contribute its share (\$3,600 of \$14,400) to operate a county-wide counseling and child care program for pregnant teens, teen-aged parents and their children. Their goal is to assist 300 low income persons (mothers, fathers and children) county-wide.

The City has supported this program since 2001. In 2003, it allocated \$3,600 in CDBG funds for this activity.

10. Boys & Girls Club Operations: **\$15,000**. The Boys & Girls Club of North SLO County has requested the City to assist in the operating costs for their after-school programs. The application expects that 200 persons would benefit from the requested grant. Records maintained by the Boys and Girls Club indicate that more than 51% of their members come from low income households.

The City has supported this program in 2003 with an allocation of \$6,300 in CDBG funds.

11. Motel Voucher Program: **\$30,000**. The Homeless Housing Project (HHP) has requested the City to assist in their program of providing motel rooms for the North County's homeless. According to the application, \$30,000 will benefit 1,575 persons. HHP proposes to use 20% of the funds for administrative costs to support the motel voucher program

The City has supported this program since 2001. In 2003, it allocated \$24,000 in CDBG funds for this activity.

12. Transition to Housing Furniture Program: **\$3,000**. The Homeless Housing Project (HHP) has requested the City to provide operating funds to assist their program of delivering donated furniture to formerly homeless persons. According to the application, \$30,000 will benefit 100 households.

13. The Literacy Program: **\$3,000**. The Literacy Program requests the City to contribute its share (\$3,000 of \$18,000) to operate a county-wide program to provide English Language classes to an estimated 700 low income adult persons (county-wide). The funds would be used for salaries, equipment and operating expenses for one year.

The City has supported this program since 2002. In 2003, it allocated \$3,000 in CDBG funds for this activity.

14. Big Brothers & Big Sisters' Mentoring Program: **\$9,500**. Big Brothers & Big Sisters requests the City to contribute its share (\$9,500 of \$73,000) to operate a county-wide program to provide mentoring services to 73 "at-risk" youth from low income households (county-wide). The funds would be used for salaries, equipment and operating expenses for one year.

The City has supported this program since 2002. In 2003, it allocated \$7,250 in CDBG funds for this activity.

15. Small Business Development Center: **\$3,000**. The Small Business Development Center (SBDC), in partnership with Cuesta College, requests the City to contribute its share (\$3,000 of \$50,000) to operate a county-wide program to provide training for small businesses operated or being started by an estimated 75 low income persons.
16. Caring Callers Program: **\$3,000**. The Lifespan Foundation requests the City to contribute its share (\$3,000 of \$7,000) of operating costs for a county-wide program to provide in-home visitation for estimated 140 – 160 low income seniors.
17. Y-Teen X-Treme Program: **\$4,000**. The SLO County YMCA requests the City to contribute its share (\$4,000 of \$32,000) of operating costs for a county-wide program to provide after-school activities for 1,625 Paso Robles middle school students.

NOTE: This application is not clear on how the program will comply with federal regulations requiring that 51% or more of the students served will be low income. Per the 2000 US Census, only 43% of City residents are low income.

18. Live Theater for All Program: **\$23,625**. Classic American Theatre requests the City to assist a program to offer low income persons an opportunity to experience live theater. The CDBG funds would be used for theater expenses for free showings in which tickets would be distributed to groups serving low income persons. According to the application, 2,268 persons would be served annually.
19. Scholarship Program: **\$5,000**. The DREAM for Kids Foundation requests the City to contribute its share (\$5,000 of \$30,000) of operating costs for a county-wide program to provide support services for foster children. According to the application, there are 400 – 600 foster care children county wide who would be potential beneficiaries.

ACTIVITIES THAT SERVE TO ELIMINATE BLIGHT

20. Downtown Newsrack Enclosures: **\$90,000**. This project is initiated by the City of Paso Robles and consists of purchasing decorative modular enclosures for newsracks placed in the downtown, which will be generally described as the commercial area with 14 foot wide sidewalks and zero setbacks (11th – 16th Streets and Vine – Pine Streets).

The purpose of the enclosures would be to eliminate the proliferation of a number and variety of newsracks that are cluttering sidewalks, posing aesthetic and pedestrian safety problems. This condition is generally described under the category of “Inadequate Public Improvements”, which the Redevelopment Implementation Plan lists as a blighting factor. The City Council has appointed an ad hoc committee, which is presently investigating this activity.

21. Downtown Alley Rehabilitation III: **\$47,000**. The project consists of paving the alley bounded by Park, Pine, 8th, and 9th Streets. This alley serves commercial and multi-family land uses. This would be the third alley improved with CDBG funds.

This alley is located in the Redevelopment Project Area, and the Redevelopment Implementation Plan lists inadequate public improvements as a condition contributing to blight.

This project is not included in either Option A or Option B. The City had received property owner requests to pave the two alleys that have been completed with CDBG funds; no property owner requests are pending for this alley.

22. Seismic Mitigation Program: **\$101,653**. With the December 22, 2003 San Simeon Earthquake, San Luis Obispo County was declared to be a Federal Disaster Area, and the City has the ability to use CDBG funds for projects and programs that respond to urgent needs created by the earthquake. Possible uses of CDBG funds to address these needs would include:
 - a. Providing a pool of funds that may be used as local matches for FEMA funds for repair of public facilities should such matches be necessary or if FEMA will not fully-fund a project that the City proposes. (E.g. FEMA may not fully-fund the degree of seismic retrofitting that the City will desire for the Carnegie Library Building.)

- b. Re-establishing a grant program to assist owners of unreinforced masonry (URM) buildings to prepare or update seismic strengthening plans. (Not all owners of URM buildings participated in the previous CDBG-funded grant program. Additionally, the City is scheduled to consider updating its current seismic ordinance; new retrofitting standards may be adopted, generating a need to update the seismic strengthening plans prepared under the previous CDBG-funded grant program.)

Both of the above programs would be considered as “blight elimination” programs, subject to a limitation on the amount of CDBG funds that can be allocated in any year.

RESOLUTION NO. 04-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
DETERMINING THOSE PROJECTS TO BE FUNDED WITH THE CITY'S ALLOTMENT
OF 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS

WHEREAS, the City has been notified by the Federal Department of Housing and Urban Development (HUD) that it is entitled to receive Community Development Block Grant (CDBG) funds; and

WHEREAS, via a Cooperation Agreement with the County of San Luis Obispo (hereafter referred to as "County") executed on July 16, 2002, the City waived its individual entitlement status for a period of three years in order that the County and the cities located therein may qualify as an "Urban County"; and

WHEREAS, via the Cooperation Agreement, the City retains the authority to determine which projects are to be funded with its allotment of CDBG funds; and

WHEREAS, the City expects to receive \$334,964 in entitlement CDBG funds in 2004 and, since approval of the 2003 CDBG entitlement allotment, has received \$55,500 in CDBG "program income" in the form of repaid residential rehabilitation loans from previous CDBG grants from the State's Small Cities Program; and

WHEREAS, there are about \$7,914 in unused 2003 CDBG funds that had been allocated to the Alley Rehabilitation Project, which had been intended to address the National Objective of eliminating blight, that need to be re-allocated; and

WHEREAS, on September 21, 2003, the urban county published a "Request for Proposals" for projects to be funded under the 2003 CDBG Programs, which provided that proposals were to be submitted by October 20, 2003; and

WHEREAS, on October 6, 2003, the urban county conducted a public hearing in Paso Robles for residents of the City and of northern San Luis Obispo County to ascertain the housing and community development needs to be addressed in the Consolidated Plan; and

WHEREAS, on January 15, 2004, the urban county released a Public Review Draft Consolidated Plan, which indicated those projects to be proposed to receive CDBG funds in 2003; and

WHEREAS, on March 4, 2004, the urban county published a notice in the *Tribune*, indicating those projects to be proposed in the Public Review Draft Consolidated Plan to receive CDBG funds in 2004; and

WHEREAS, at its meeting of March 11, 2004, the City Council conducted a public hearing to obtain public testimony on the proposed Draft Consolidated Plan;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles, California, to recommend that the Board of Supervisors for the County of San Luis Obispo adopt the 2004 Draft Consolidated Plan, a copy of which shall be kept on file in the Community Development Department, which shall include the following programs to be funded with the City's allotment of CDBG funds:

1. **Municipal Pool Changing Room Rehabilitation: \$204,775.** This activity is initiated by the City of Paso Robles and consists of rehabilitating the building housing the changing rooms at the Municipal Pool at 28th and Oak Streets. There are several conditions making the building unsafe. The rehabilitation work necessary to correct this condition includes: replacing the roof and repairing the plumbing, block walls, flooring and electrical system.

A total of about \$252,000 from 2001, 2002 and 2003 CDBG funds have already been allocated to this project, with the goal of preparing an assessment of the building's needs and to complete the most urgent rehabilitation work identified by the assessment. A preliminary estimate indicates that the full list of improvements will cost about \$500,000. The awarded funds will be used to supplement 2001, 2002, and 2003 CDBG funds and address the

OPTION A

building's most urgent needs. It is expected that the \$204,775 will be used as follows: \$65,000 for completing all alternates in the current contract; \$55,000 for installation of a handicapped lift; and \$98,725 to be saved for future re-roofing of Therapy Pool.

The Municipal Pool serves the recreational swimming needs of the residents of the West Side of the City. According to the 2000 US Census, 65% of the 2,712 households then residing in the West Side are low and moderate income. This project is eligible for CDBG funds in accordance with 24 CFR 570.201(c). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(1).

The Municipal Pool is located in the Redevelopment Project Area, and the Redevelopment Implementation Plan lists deteriorating and unsafe buildings as conditions contributing to blight. This project, therefore, would also serve to eliminate blight.

2. **Seismic Mitigation Program: \$101,653.** This activity consists of the following programs, either of which or both may be pursued by the City in response to the San Simeon Earthquake of December 22, 2003, for which the County of San Luis Obispo was declared a Federal Disaster Area, in due to which lives were lost and public and private property was severely damaged.
 - a. Providing a pool of funds that may be used as local matches for Federal Emergency Management Agency (FEMA) funds for repair of public facilities should such matches be necessary or if FEMA will not fully-fund a project that the City proposes. (E.g. FEMA may not fully-fund the degree of seismic retrofitting that the City will desire for the Carnegie Library Building.)
 - b. Re-establishing a grant program to assist owners of unreinforced masonry (URM) buildings to prepare or update seismic strengthening plans. (Not all owners of URM buildings participated in the previous CDBG-funded grant program. Additionally, the City is scheduled to consider updating its current seismic ordinance; new retrofitting standards may be adopted, generating a need to update the seismic strengthening plans prepared under the previous CDBG-funded grant program.)

Both of the above sub-programs would serve the National Objectives of "activities designed to meet community development needs having a particular urgency" (24 CFR 570.208(c)) and "activities which aid in the prevention or elimination of slums and blight" (24 CFR 570.208(b)).

This program is eligible for CDBG funding as rehabilitation of public facilities under Section 24 CFR 570.201(c) and rehabilitation of private buildings under Section 24 CFR 570.202(a).

3. **Scholarship Program: \$4,650.** This activity is initiated by DREAM for Kids Foundation and consists of the City's share to operate a countywide program to provide for vocational and professional scholarships for teenaged foster children who are about to leave the foster care system when they turn 18. The application states that, county-wide, there are 45 foster children leaving the foster care system each year.

This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

4. **Caring Callers Program: \$4,650.** This activity is initiated by Caring Callers/Lifespan Foundation and consists of the City's share to operate a countywide program to provide for operating costs for a program in which volunteers visit shut-in seniors. The application states that, county-wide, they hope to serve 125 seniors.

This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

5. **Motel Voucher Program: \$4,650.** This activity is initiated by Homeless Housing Project (HHP) and consists of providing motel rooms for the North County's homeless. According to the application, HHP plans to assist 1,575 persons per year (with their original request for \$30,000). HHP proposes to use 20% of the funds for administrative costs to support the motel voucher program

CDBG regulations consider the homeless to be a "limited clientele" that is principally low income. The Homeless Housing Project estimates that the number of homeless in the North County is about 3,000 persons. This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

6. **Capacity Building: \$39,000.** An administrative activity which consists of City staff work on the various housing programs listed in the Housing Element of the General Plan.
7. **Grant Administration: \$39,000.** Grant administration consists primarily of staff time managing CDBG-funded projects.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 11th day of March 2004 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

OPTION A

RESOLUTION NO. 04-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
DETERMINING THOSE PROJECTS TO BE FUNDED WITH THE CITY'S ALLOTMENT
OF 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS

WHEREAS, the City has been notified by the Federal Department of Housing and Urban Development (HUD) that it is entitled to receive Community Development Block Grant (CDBG) funds; and

WHEREAS, via a Cooperation Agreement with the County of San Luis Obispo (hereafter referred to as "County") executed on July 16, 2002, the City waived its individual entitlement status for a period of three years in order that the County and the cities located therein may qualify as an "Urban County"; and

WHEREAS, via the Cooperation Agreement, the City retains the authority to determine which projects are to be funded with its allotment of CDBG funds; and

WHEREAS, the City expects to receive \$334,964 in entitlement CDBG funds in 2004 and, since approval of the 2003 CDBG entitlement allotment, has received \$55,500 in CDBG "program income" in the form of repaid residential rehabilitation loans from previous CDBG grants from the State's Small Cities Program; and

WHEREAS, there are about \$7,914 in unused 2003 CDBG funds that had been allocated to the Alley Rehabilitation Project, which had been intended to address the National Objective of eliminating blight, that need to be re-allocated; and

WHEREAS, on September 21, 2003, the urban county published a "Request for Proposals" for projects to be funded under the 2003 CDBG Programs, which provided that proposals were to be submitted by October 20, 2003; and

WHEREAS, on October 6, 2003, the urban county conducted a public hearing in Paso Robles for residents of the City and of northern San Luis Obispo County to ascertain the housing and community development needs to be addressed in the Consolidated Plan; and

WHEREAS, on January 15, 2004, the urban county released a Public Review Draft Consolidated Plan, which indicated those projects to be proposed to receive CDBG funds in 2003; and

WHEREAS, on March 4, 2004, the urban county published a notice in the *Tribune*, indicating those projects to be proposed in the Public Review Draft Consolidated Plan to receive CDBG funds in 2004; and

WHEREAS, at its meeting of March 11, 2004, the City Council conducted a public hearing to obtain public testimony on the proposed Draft Consolidated Plan;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles, California, to recommend that the Board of Supervisors for the County of San Luis Obispo adopt the 2004 Draft Consolidated Plan, a copy of which shall be kept on file in the Community Development Department, which shall include the following programs to be funded with the City's allotment of CDBG funds:

1. **Municipal Pool Changing Room Rehabilitation: \$160,155.** This activity is initiated by the City of Paso Robles and consists of rehabilitating the building housing the changing rooms at the Municipal Pool at 28th and Oak Streets. There are several conditions making the building unsafe. The rehabilitation work necessary to correct this condition includes: replacing the roof and repairing the plumbing, block walls, flooring and electrical system.

A total of about \$252,000 from 2001, 2002 and 2003 CDBG funds have already been allocated to this project, with the goal of preparing an assessment of the building's needs and to complete the most urgent rehabilitation work identified by the assessment. A preliminary estimate indicates that the full list of improvements will cost about \$500,000. The awarded funds will be used to supplement 2001, 2002, and 2003 CDBG funds and address the

OPTION B

building's most urgent needs. It is expected that the \$160,155 will be used as follows: \$65,000 for completing all alternates in the current contract; \$55,000 for installation of a handicapped lift; and \$40,155 to be saved for future re-roofing of Therapy Pool.

The Municipal Pool serves the recreational swimming needs of the residents of the West Side of the City. According to the 2000 US Census, 65% of the 2,712 households then residing in the West Side are low and moderate income. This project is eligible for CDBG funds in accordance with 24 CFR 570.201(c). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(1).

The Municipal Pool is located in the Redevelopment Project Area, and the Redevelopment Implementation Plan lists deteriorating and unsafe buildings as conditions contributing to blight. This project, therefore, would also serve to eliminate blight.

2. **Seismic Mitigation Program: \$101,653.** This activity consists of the following programs, either of which or both may be pursued by the City in response to the San Simeon Earthquake of December 22, 2003, for which the County of San Luis Obispo was declared a Federal Disaster Area, in due to which lives were lost and public and private property was severely damaged.
 - a. Providing a pool of funds that may be used as local matches for Federal Emergency Management Agency (FEMA) funds for repair of public facilities should such matches be necessary or if FEMA will not fully-fund a project that the City proposes. (E.g. FEMA may not fully-fund the degree of seismic retrofitting that the City will desire for the Carnegie Library Building.)
 - b. Re-establishing a grant program to assist owners of unreinforced masonry (URM) buildings to prepare or update seismic strengthening plans. (Not all owners of URM buildings participated in the previous CDBG-funded grant program. Additionally, the City is scheduled to consider updating its current seismic ordinance; new retrofitting standards may be adopted, generating a need to update the seismic strengthening plans prepared under the previous CDBG-funded grant program.)

Both of the above sub-programs would serve the National Objectives of "activities designed to meet community development needs having a particular urgency" (24 CFR 570.208(c)) and "activities which aid in the prevention or elimination of slums and blight" (24 CFR 570.208(b)).

This program is eligible for CDBG funding as rehabilitation of public facilities under Section 24 CFR 570.201(c) and rehabilitation of private buildings under Section 24 CFR 570.202(a).

3. **Senior Health Screening Program: \$4,000.** This activity is initiated by EOC to contribute the City's share to operate a countywide senior health-screening program, which is expected to serve 900 seniors countywide. CDBG regulations consider seniors to be a "limited clientele" that is principally low income. The City Council allocated \$5,000 in 2003 CDBG funds for this activity.

This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

4. **40 Wonderful Program: \$1,700.** This activity is initiated by the Economic Opportunity Commission of San Luis Obispo County (EOC) to contribute the City's share to operate a county-wide health screening program restricted to serving about 100 low and moderate income women. The City Council allocated \$2,000 in 2003 CDBG funds for this activity.

This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

5. **Teen Academic Parenting Program: \$3,000.** This activity is initiated by EOC to contribute the City's share to operate a countywide counseling and childcare program for pregnant teens, teen-aged parents and their children. Their goal is to assist 300 low and moderate-income persons (mothers, fathers and children) countywide. The City Council allocated \$3,600 in 2003 CDBG funds for this activity.

OPTION B

This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

6. **Boys & Girls Club Operations: \$4,000.** This activity is initiated by the Boys and Girls Club of North San Luis Obispo County and consists of operating costs for their after-school programs. The application expects that 200 persons would benefit from the requested grant. The City Council allocated \$6,300 in 2003 CDBG funds for this activity.

Based on records maintained by the Boys and Girls Club, more than 51% of the participating youth comes from low and moderate-income families. This program qualifies for CDBG funding as a public facility under Section 24 CFR 570.201(c). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

7. **The Literacy Program: \$2,570.** This activity is initiated by the Literacy Council and consists of the City's share to operate a countywide program to provide English as a Second Language classes to an estimated 700 low and moderate-income persons (county-wide). The funds would be used for salaries, equipment and operating expenses for one year. The City Council allocated \$3,000 in 2003 CDBG funds for this activity.

This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

8. **Big Brothers/Big Sisters Mentoring Program: \$6,000.** This activity is initiated by Big Brothers/Big Sisters and consists of the City's share to operate a countywide program to provide adult mentors for 73 low-income "at-risk" children. The City Council allocated \$7,250 in 2003 CDBG funds for this activity.

This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

9. **Alcohol & Substance Abuse Counseling/Capacity Building: \$4,000.** This activity is initiated by Lifestyles Recovery Center, who have requested using CDBG funds for operating expenses for their drug and alcohol counseling services and to recruit and train volunteers for their counseling programs. The applicants project that they expect to serve 200 low and moderate-income persons clients per year. The City Council allocated \$6,100 in 2003 CDBG funds for this activity.

This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

10. **Scholarship Program: \$4,650.** This activity is initiated by DREAM for Kids Foundation and consists of the City's share to operate a countywide program to provide for vocational and professional scholarships for teenaged foster children who are about to leave the foster care system when they turn 18. The application states that, county-wide, there are 45 foster children leaving the foster care system each year.

This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

11. **Caring Callers Program: \$4,650.** This activity is initiated by Caring Callers/Lifespan Foundation and consists of the City's share to operate a countywide program to provide for operating costs for a program in which volunteers visit shut-in seniors. The application states that, county-wide, they hope to serve 125 seniors.

This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

12. **Motel Voucher Program: \$24,000.** This activity is initiated by Homeless Housing Project (HHP) and consists of providing motel rooms for the North County's homeless. According to the application, HHP plans to assist 1,575 persons per year. HHP proposes to use 20% of the funds for administrative costs to support the motel voucher program

OPTION B

CDBG regulations consider the homeless to be a "limited clientele" that is principally low income. The Homeless Housing Project estimates that the number of homeless in the North County is about 3,000 persons. This project qualifies for CDBG funding as a public service under Section 24 CFR 570.201(e). The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2).

13. **Capacity Building: \$39,000.** An administrative activity which consists of City staff work on the various housing programs listed in the Housing Element of the General Plan.
14. **Grant Administration: \$39,000.** Grant administration consists primarily of staff time managing CDBG-funded projects.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 11th day of March 2004 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

OPTION B

CITY OF PASO ROBLES: 2004 CDBG APPLICATIONS

#	Program/Project	Brief Description	Sponsor (Applicant)	Amount Requested *	Natl Obj *
1	Muni Pool Changing Room	Re-roof or repair floor in building	City of Paso Robles	\$204,775	LI/BE
2	Downtown Newsrack Enclosures	Purchase decorative newsrack enclosures	City of Paso Robles	\$90,000	BE
3	Alley Rehabilitation	Improve alley bounded by Park, Pine, 8th & 9th	City of Paso Robles	\$47,000	BE
4	LED-Lighted Crosswalks	Install LED-lighted crosswalks at two intersections	City of Paso Robles	\$100,000	LI/BE
5	28th Street Improvements	Curb, gutter, sidewalk, street lights at Oak Park	City of Paso Robles	\$102,390	LI/BE
6	No. County Emergency Shelter	Operating funds for homeless shelter in Atascadero	City of Paso Robles	\$58,950	LI/PS
7	Commercial Rehabilitation	Install elevator at 1214 Park Street (Acorn Bldg)	Mary Mastagni	\$164,564	LI/BE
8	Alcohol and Substance Abuse Capacity Building Program	Operating costs for building a volunteer base for an alcohol and substance abuse counseling program.	Lifestyles Recovery Center	\$12,000	LI/PS
9	Senior Health Screening Program	County-wide health screening program for seniors	Economic Opportunity Commission	\$5,000	LI/PS
10	Forty Wonderful Program	County-wide health screening program for very low income women	Economic Opportunity Commission	\$2,000	LI/PS
11	Teen Academic Parenting Program	County-wide program that provides a variety of support services for teenaged parents	Economic Opportunity Commission	\$3,600	LI/PS
12	Boys & Girls Club Operations	Operating funds for Boys & Girls Club	Boys & Girls Club of No. SLO Co.	\$15,000	LI/PS
13	Motel Voucher Program	Motel room rental for the homeless	Homeless Housing Project	\$30,000	LI/PS
14	Transition to Housing Furniture	Operating costs for program that delivers donated furniture to formerly homeless persons	Homeless Housing Project	\$3,000	LI/PS
15	The Literacy Program	English as a Second Language Program	The Literacy Council	\$3,000	LI/PS
16	Mentoring Program	Mentoring program for disadvantaged youth	Big Brothers & Big Sisters	\$9,500	LI/PS
17	Small Business Development Center	Business consulting for existing and start-up businesses for low to middle income business owners	Small Business Development Center (in partnership with Cuesta College)	\$3,000	LI
18	Caring Callers Program	Operating expenses for in-home visitation for seniors	Lifespan Foundation	\$3,000	LI/PS
19	Y-Teen X-treme Program	After-school program for middle school students	SLO County YMCA	\$4,000	LI/PS
20	Live Theater for All Program	Offer low income persons an opportunity to experience live theater	Classic American Theatre	\$23,625	LI/PS
21	Scholarship Program	Support services for foster children	DREAM for Kids Foundation	\$5,000	LI/PS
22	Seismic Mitigation Program	Matching Funds for FEMA Grants to repair public facilities and/or seismic structural studies for unreinforced masonry buildings	City of Paso Robles	\$101,653	BE
	TOTAL REQUESTED			\$991,057	

* It is estimated that a total of \$320,378 will be available for award, of which at least \$218,725 must be used to meet the National Objective of low income (LI) benefit and no more than \$101,653 may be used to meet the National Objective of blight elimination (BE). Additionally, no more than \$58,570 may be used for public service programs (PS). Several applications can meet the criteria for both low income benefit and blight elimination.