

TO: JAMES L. APP, CITY MANAGER

FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: DISASTER RECOVERY INITIATIVE GRANT APPLICATION (PUBLIC HEARING)

DATE: NOVEMBER 1, 2005

Needs: For the City Council to conduct a public hearing and authorize the filing of an application for Disaster Recovery Initiative (DRI) Funds.

- Facts:
1. In August 2005, the State Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) for the Disaster Recovery Initiative (DRI) Grant Program.
  2. DRI funds are a type of federal Community Development Block Grant (CDBG) funds that are allocated to states to address activities related to recovery from natural disasters.
  3. The August 2005 NOFA states that a total of \$2.27 million has been allocated to applicants from San Luis Obispo and Santa Barbara Counties for activities related to the 2003 San Simeon Quake. Each jurisdiction may apply for up to \$1 million, but the State expects the DRI funds to be oversubscribed, and that smaller awards would be likely.
  4. DRI funds may be used for earthquake-related repairs to housing and public facilities to the extent that FEMA did not/will not cover them. Only governmental agencies may apply for DRI funds. However, private parties may apply through the City for funds.
  5. The only City facility damaged by the quake that is eligible for DRI funds is the Carnegie Library building. The Public Works Department recommends that the City seek DRI funding to cover the costs of making the building fully-accessible to the physically-disabled, which are estimated to be about \$150,000.
  6. Peoples' Self-Help Housing Corp. has submitted a letter (copy attached) requesting that the City's application include a request for \$13,775.57 for damages to Los Robles Terrace senior apartments at 30<sup>th</sup> and Spring Streets.
  7. HCD has advised that the DRI grant program will be very competitive and that applicants can enhance their applications with matches of non-federal funds and in-kind donations of staff time.
  8. The deadline to submit applications to HCD is November 18. Applications must include a resolution of the City Council authorizing the filing of an application and appointing the City Manager as authorized signatory to a grant agreement. Such an application is attached.
  9. Federal regulations require that a public hearing be conducted to elicit any proposals and comments on the proposed use of DRI funds. A notice was published in the Tribune on October 5. A copy of that notice is attached.

Analysis and  
Conclusion:

This grant will be competitive, and the state must demonstrate that 51% of the funds will be used for benefiting low income persons. Further, those applications addressing the highest degree of need will have priority over those where the need cannot be demonstrated to be as high.

Carnegie Library

The total cost for repairing, restoring, and making the Carnegie Library building fully-accessible to the disabled is preliminarily estimated to be \$1.2 million. To provide interconnecting disabled access improvements associated with the building's exterior site work (not part of the earthquake damage) would be an approximate additional \$150,000. To date, FEMA has only approved public assistance in the amount of \$384,000. The City has appealed this decision, and hopes to be granted up to \$1.2 million.

The need to make the building fully-accessible is driven by a State Attorney General's opinion that accessibility improvements must accompany seismic retrofit work. However, the City does not expect FEMA to recognize that opinion in determining the amount of funds to be granted.

Therefore, it is proposed that the City apply for DRI funds to cover the cost of disabled access improvements. As a match, the City can offer: (a) the present \$816,000 funding gap between the estimated \$1.2 million to seismically repair and retrofit the building and the \$384,000 FEMA has thus far approved; and (b) the value of staff time to administer the repair and retrofit work, which is estimated to be \$65,000.

Should FEMA revise its award from \$384,000 to \$1.2 million, the \$816,000 funding gap would have to be discounted as a match, which could make the DRI application less-competitive.

Federal regulations governing the CDBG Program provide that the physically-disabled are a class of people that are principally low income. Therefore, the accessibility improvements would be eligible for DRI funds.

Los Robles Terrace

Los Robles Terrace is a subsidized housing project for seniors. Its residents must be low income. The requested \$13,775.57 would be used to reimburse the Capital Reserve Account for this building, from which funds were withdrawn to make quake-related repairs. The details included with the attached letter are on file in the Housing Programs Office. In an email dated October 19, (copy attached), Peoples' Self- Help Housing Corp. proposes to offer \$1,681.40 in staff time and expenses as a match.

Other Uses

Other than the activities mentioned above, the City has not received any proposals for use of DRI funds. However, since a public hearing is required, it is possible that other parties may suggest other uses of/applications for DRI funds.

Policy  
Reference:

Federal Regulations governing the CDBG Program; August 2005 Notice of Funding Availability for the Disaster Recovery Grant Program

Fiscal Impact: If the City is successful in obtaining a DRI grant, General Funds otherwise used for making the Carnegie Library fully-accessible would be saved.

- Options:
- a.** Adopt Resolution No. 05-xx approving an application and contract execution for funding from the Disaster Recovery Initiative Program.
  - b.** Amend, modify, or reject the above option.

Prepared By:

Ed Gallagher  
Housing Programs Manager

Attachments:

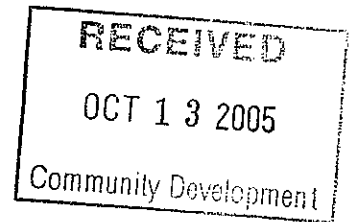
1. Resolution approving an application and contract execution for funding from the Disaster Recovery Initiative Program
2. Letter from Peoples' Self-Help Housing Corp. dated October 12, 2005
3. Email from Peoples' Self-Help Housing Corp. dated October 19, 2005
4. Newspaper Notice for the Public Hearing



**Peoples' Self-Help Housing Corporation**

October 12, 2005

Mr. Ed Gallagher  
Housing Programs Manager  
City of Paso Robles  
1000 Spring Street  
Paso Robles, CA 93446



RE: Disaster Recovery Grant

Mr. Gallagher:

After several conversations with our friend, Mr. Talbert, at HCD, we have decided not to include the elevator in our CDBG Disaster Recovery Grant request. It does not appear that the new generator would qualify for this program even though numerous residents were affected by the electric blackout caused by the earthquake. Many of the senior and disabled residents in the Los Robles Apartments, especially on the 2<sup>nd</sup> and 3<sup>rd</sup> floors who are not mobile, could not use the stairs or were unable to obtain prescriptions, oxygen or other necessities.

As a direct result of the December 2003 earthquake, Los Robles Terrace is requesting \$13,775.57 from the Disaster Recovery Grant program to reimburse funds spent from the Capital Reserve account. This account is controlled by the US Dept. of Housing and Urban Development (HUD) and is expressly set aside for planned, long-term capital improvements such as roofing, painting, heating and air conditioning, appliances, floor coverings. It is not a fund to cover emergency repair costs normally paid from insurance claims. In order to ensure the long-term viability of Los Robles Terrace, the reserve funds spent to make emergency repairs, must be reimbursed.

Attached is a spreadsheet detailing the exact costs of the earthquake repairs and additional administrative and other planning costs associated with the repairs and the grant application and administration.

I will be out of the office on October 17<sup>th</sup> and 18<sup>th</sup> and will return the morning of October 19, 2005. Should you have additional questions regarding this grant request, please contact me via cell phone at (805) 441-3438. Thank you for your assistance.

Sincerely,

Eric Michielssen  
Broker/Asset Manager  
Peoples' Self-Help Housing Corp.

PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION/CITY COUNCIL  
PROJECT NOTICING

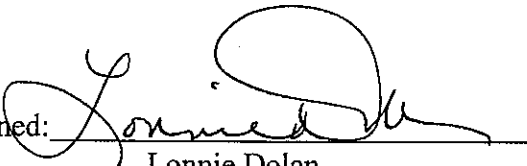
Newspaper: Tribune

Date of Publication: October 7, 2005

Meeting Date: November 1, 2005  
(City Council)

Project: Disaster Recovery Initiative  
Grant Program (CDBG)

I, Lonnie Dolan, employee of the Community Development Department, Planning Division, of the City of El Paso de Robles, do hereby certify that this notice is a true copy of a published legal newspaper notice for the above named project.

Signed:   
Lonnie Dolan

forms\newsaffi.691

**NOTICE OF PUBLIC HEARING  
APPLICATION FOR FUNDING FOR  
THE CITY OF PASO ROBLES  
UNDER THE DISASTER RECOVERY  
INITIATIVE GRANT PROGRAM**

Notice is hereby given that the Paso Robles City Council will be conducting a public hearing to consider authorizing submitting an application to the State of California's Housing and Community Development Department to receive Disaster Recovery Initiative (DRI) Funds for activities related to the recovery from the December 2003 San Simeon Earthquake. DRI Funds are Federal Funds administered under the Community Development Block Grant (CDBG) Program.

According to the State's Notice of Funding Availability for the DRI Program, a total of \$2.7 million in DRI funds will be available to local jurisdictions in San Luis Obispo and Santa Barbara Counties, and the maximum amount of DRI funds that any one jurisdiction may apply for is \$1 million.

It is anticipated that the City will seek DRI funds to repair public facilities damaged in the quake (to the extent that the Federal Emergency Management Agency did not provide financial assistance). DRI funds will also be applied for the purpose of preventing damage and hazards to the public health and safety associated with possible future seismic events.

This public hearing will be conducted on Tuesday, November 1, 2005 at 7:30 p.m., in the Library Conference Center at City Hall/Library, 1000 Spring Street, Paso Robles, California.

Interested parties are invited to submit comments and questions and to be heard at the public hearing regarding the possible uses of DRI funds. If you have concerns regarding the application for DRI Funds, you should express your views in writing or verbally at the hearing.

Copies of Notice of Funding Availability for DRI Funds are available upon request at the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446. The staff report for the public hearing will be available Friday, October 28, 2005 in the City Clerk's Office, 1000 Spring Street, Paso Robles, CA 93446.

If you have any questions about this proposal, contact Ed Gallagher, Housing Programs Manager at the City of Paso Robles, Community Development Department, 1000 Spring Street, Paso Robles, CA 93406, or by telephone at: (805) 237-3970, or by email to ed@prcity.com.

Ed Gallagher, Housing Programs Manager  
Dated: October 5, 2005  
Oct. 7, 2005

6258895

**Ed Gallagher**


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**From:** Eric Michielssen [ericm@pshhc.org]  
**Sent:** Wednesday, October 19, 2005 3:57 PM  
**To:** Ed Gallagher  
**Subject:** RE: Spam:RE: Spam:RE: Spam:Disaster Recovery Grant Application

Hi Ed,

Finally found the receipt for the Emergency and Disaster Planning software....\$209.00 + \$32.40 tax = \$ 241.40  
 Developing Emergency Plan 2 empl/20 hrs.ea. \* \$30/hr. = \$1200.00  
 Presenting Emergency plan to residents 4 hrs.\* 2 empl = \$ 240.00  
 Total Leverage by PSHHC \$1681.40

-----Original Message-----

**From:** Ed Gallagher [mailto:EGallagher@prcity.com]  
**Sent:** Wednesday, October 19, 2005 1:30 PM  
**To:** Eric Michielssen  
**Subject:** Spam:RE: Spam:RE: Spam:Disaster Recovery Grant Application

Well, certainly before I submit the grant in November. Could you at least give me a total figure that I can include in my report to the City Council? The report is due Friday. Thanks!

Ed Gallagher  
 Housing Programs Manager  
 City of Paso Robles  
 (805) 237-3970  
 ed@prcity.com

-----Original Message-----

**From:** Eric Michielssen [mailto:ericm@pshhc.org]  
**Sent:** Wednesday, October 19, 2005 1:23 PM  
**To:** Ed Gallagher  
**Subject:** RE: Spam:RE: Spam:Disaster Recovery Grant Application

When do you need the accounting..with the City meeting this week...?Eric

-----Original Message-----

**From:** Ed Gallagher [mailto:EGallagher@prcity.com]  
**Sent:** Wednesday, October 19, 2005 1:24 PM  
**To:** Eric Michielssen  
**Subject:** Spam:RE: Spam:Disaster Recovery Grant Application

There is no minimum amount of "leverage" (how evil of HCD – making this somewhat of an auction and giving more points to those who provide more leverage). I would offer your training and planning expenses – we'll need an accounting, though.

-----Original Message-----

**From:** Eric Michielssen [mailto:ericm@pshhc.org]  
**Sent:** Wednesday, October 19, 2005 1:13 PM  
**To:** Ed Gallagher  
**Subject:** RE: Spam:Disaster Recovery Grant Application

Hi Ed,

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES APPROVING AN APPLICATION AND CONTRACT EXECUTION FOR FUNDING FROM THE DISASTER RECOVERY INITIATIVE PROGRAM OF THE STATE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM, AND AUTHORIZING THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO WITH THE STATE OF CALIFORNIA FOR THE PURPOSES OF THIS GRANT

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WHEREAS, the City of El Paso de Robles, a political subdivision of the State of California, applied for and will submit the Application Package released August 2005 by the California Department of Housing and Community Development (Department) for the Disaster Recovery Initiative (DRI) Program; and

WHEREAS, pursuant to the statute, the Department is authorized to approve funding allocations for the program, subject to the terms and conditions of the Notice of Funding Availability (NOFA) and Program Guidelines, Application Package and Standard Agreement; and

WHEREAS, the Carnegie Library Building sustained substantial damage from the December 2003 San Simeon Quake, and needs an estimated \$1.2 million in repairs and seismic retrofit work; and

WHEREAS, the State Attorney General has issued Opinion No. 94-1109, which requires buildings to be made fully-accessible to the physically-disabled at the same time that they are seismically retrofitted, and the estimated costs of providing exterior interconnecting accessibility improvements is \$150,000; and

WHEREAS, it is not expected that the Federal Emergency Management Agency (FEMA) will reimburse the City for these portions of the costs of making the Carnegie Library accessible to the physically-disabled; and

WHEREAS, Peoples Self-Help Housing Corp. (PSHHC), a non-profit organization, has applied to the City for a subgrant of \$13,775.57 for expenses related to making repairs for damage from the December 2003 San Simeon Quake to Los Robles Terrace Apartments, a 40 unit apartment complex for low income seniors.

NOW, THEREFORE, BE IT RESOLVED, by City Council of the City of El Paso de Robles that

SECTION 1.

The City Council has reviewed and hereby approves an application for up to **\$164,000** for the following activities:

Seismic-Related Disability Access Improvements for Carnegie Library Building:..... \$150,000

Earthquake Repairs for Los Robles Terrace Senior Apartments:..... \$ 14,000

SECTION 2.

If the grant application is approved, the City will provide local leverage for the above-listed activities as follows:

Staff time for Disability Access Improvements for Carnegie Library.....\$ 65,000  
General Funds for seismic repair/retrofit of Carnegie Library.....\$816,400 \*  
PSHHC's staff time and expenses for Los Robles Terrace repairs ..... \$1,700

\* Assumes FEMA does not reimburse the City for any more than \$384,000.

SECTION 3.

The City Manager is hereby authorized and directed to act on the City's behalf in all matters pertaining to this application.

SECTION 4.

If the application is approved, the City Manager is authorized to enter into and sign the grant agreement and any amendments thereto with the State of California for the purposes of this grant.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 1st day of November 2005 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
Frank R. Mecham, Mayor

ATTEST:

\_\_\_\_\_  
Sharilyn M. Ryan, Deputy City Clerk