

TO: James L. App, City Manager
FROM: John Falkenstein, Acting Community Development Director
SUBJECT: 2006 Community Development Block Grant (CDBG) Program
DATE: March 1, 2006

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 2006 Community Development Block Grant (CDBG) funds and with re-allocated CDBG funds from prior years.

Facts: 1. The City expects to have \$389,787 in CDBG funds available for activities in 2006. Of this amount, \$284,387 are the City's 2006 allotment of CDBG funds, \$64,800 are "program income" from repaid CDBG-funded residential rehabilitation loans, and \$40,600 are unspent CDBG funds from prior years *, which need to be re-allocated.

2. Of the total of \$389,787 in CDBG funds, \$319,987 will be available for projects and programs, and \$69,800 would be used for program administration.

3. In October 2005, the City received 18 applications for 2006 CDBG funds. Attached are a table and a narrative "Summary of the 2006 CDBG Applications", both of which summarize the 18 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 2006, this 15% cap would amount to \$52,378. Public service activities are classified as benefiting low income persons.

7. If the \$389,787 in CDBG funds are allocated per the ratios mentioned above, the allotments would be as follows:

\$183,789 for projects that benefit low income persons (70%)
\$ 52,398 for public services (also a part of the 70% that benefits low income)
\$ 83,800 for activities that eliminate blight (30%)
\$ 69,800 for administration
\$389,787 Total CDBG allocation

8. At its meeting of December 6, 2005, the City Council directed that the Draft One Year Action Plan for spending the City's allotment of 2006 CDBG funds include the projects listed on the following page.

* The \$40,600 in unspent CDBG funds is composed of \$38,000 from 2004 and 2005 CDBG funds that were allocated to the LED Crosswalk at 34th and Spring Streets, \$2,580 in 2003 CDBG funds that were allocated to the LED Crosswalk at 24th and Oak Streets, and \$20 in 1999 CDBG funds that had been allocated to Loaves and Fishes.

\$163,676	for the Therapy Pool Rehabilitation
\$ 87,000	for Seismic Mitigation Program
\$ 57,194	for Public Services (actual grantees to be determined in March)
<u>\$ 76,000</u>	for program administration (including "Capacity Building").
\$383,870	

Since December 6, the City has been advised that the amount of entitlement 2006 CDBG funds was reduced by about \$32,100. However, about \$38,000 in unspent funds from the LED Crosswalk at Spring and 24th Street became available.

9. It should be noted that the City Council is not obligated to approve the tentative allocation contained in the draft plan, and may, upon completion of a public hearing, approve any of the applications and may adjust the amounts of funds to be awarded for any given activity (as long as the awards comply with regulatory limits discussed in Facts # 5 and 6).
10. The City Council directed staff to solicit additional information from those applicants for public service grants to supplement the information provided in the applications filed in October. The information provided by public services applicants has been inserted into the binders described in Fact #4 and will be summarized in the Analysis section of this report.
11. A public hearing on the Draft One Year Action Plan has been set for the Council's meeting of March 1, 2006. Copies of this staff report were mailed to all applicants for 2006 CDBG funds on February 23.

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.

- 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 and Municipal Pool Changing Room Rehabilitation Projects, both of which were funded over 4 years.
- 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.)
- Since 2001, the Council has made awards for public services, and some for more than one year's operating funds.

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

Two options have been prepared for the Council's consideration. Both options retain the basic distribution of CDBG funds directed by the Council on December 6 for listing in the Draft One Year Action Plan, but have been adjusted to account for the changes in amounts of available CDBG funds. The difference lies in the distribution of the \$52,378 for public service applications.

Public Service Applications

All of the applicants for public service funds submitted complete supplemental applications, and an analysis of these is attached. All of the applications are complete and meet federal regulations for use of CDBG funds. The City Council retains the authority and discretion to decide which, if any, of the public service applications they wish to fund. Both options assume that the Council would elect to fund all of the public service applications.

Option A would award each applicant about 80% of the amount they were allotted in 2005 (or in 2004 for Lifestyles Recovery Center) and 80% of the amounts requested by Harvest Bag and the Youth Arts Foundation (which are first-time applications).

Activity	Option A	Latest Award
EOC-Senior	2,000	2,500
EOC-40 Wonderful	1,200	1,500
EOC-TAPP	1,600	2,000
HHP Motel Voucher	19,198	24,000
Literacy Council	2,400	3,000
Harvest Bag	800	1,000
Big Brothers/Big Sisters	3,200	4,000
Caring Callers	2,800	3,500
PR Youth Arts Foundation	16,000	20,000
Lifestyles Recovery Center	3,200	4,000
Total	52,398	65,500

Option B would award each applicant about 73% of the original amount requested.

Activity	Option B	Request
EOC-Senior	2,550	3,500
EOC-40 Wonderful	1,600	2,200
EOC-TAPP	1,800	2,500
HHP Motel Voucher	17,500	24,000
Literacy Council	2,200	3,000
Harvest Bag	725	1,000
Big Brothers/Big Sisters	5,450	7,500
Caring Callers	2,525	3,500
PR Youth Arts Foundation	14,448	20,000
Lifestyles Recovery Center	3,600	5,000
Total	52,398	72,200

Option B would tend to reward applicants who request more funds than were awarded to them in previous years (e.g. Big Brothers/Big Sisters and EOC Senior Health).

Since Congress has decreased the City’s allocation of 2006 CDBG funds by nearly \$32,000, it would seem appropriate that applicants receive a lesser share than requested.

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:

a. Option A: Adopt the attached Resolution 06-XX to allocate the City’s allotment of 2006 CDBG funds, program income, and unspent CDBG funds as follows:

Therapy Pool Rehabilitation.....	\$183,789
Seismic Mitigation Program.....	\$ 83,800
EOC Senior Health Services Program.....	\$ 2,000
EOC 40 Wonderful Program.....	\$ 1,200
EOC Teen Academic Parenting Program.....	\$ 1,600
HHP Motel Voucher Program	\$ 19,198
Literacy Council.....	\$ 2,400
Harvest Bag	\$ 800
Big Brothers/Big Sisters	\$ 3,200
Caring Callers.....	\$ 2,800
Paso Robles Youth Arts Foundation	\$ 16,000
Lifestyles Recovery Center	\$ 3,200
Program administration (including “Capacity Building”).....	\$ 69,800
TOTAL.....	<u>\$389,787</u>

b. Option B. Adopt Resolution No. 06-xx to allocate the City’s allotment of 2006 CDBG funds and \$40,600 in unspent CDBG funds from prior years, as follows:

Therapy Pool Rehabilitation.....	\$183,789
Seismic Mitigation Program.....	83,800
EOC Senior Health Services Program.....	2,550
EOC 40 Wonderful Program.....	1,600
EOC Teen Academic Parenting Program.....	1,800
HHP Motel Voucher Program	17,500
Literacy Council.....	2,200
Harvest Bag	725
Big Brothers/Big Sisters	5,450
Caring Callers.....	2,525
Paso Robles Youth Arts Foundation	14,448
Lifestyles Recovery Center	3,600
Program administration (including “Capacity Building”).....	69,800
TOTAL.....	<u>\$389,787</u>

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

Prepared By:

Ed Gallagher
Housing Programs Manager

Attachments:

1. Resolution Option "A" and Option "B"
2. Table Summary of the 18 Applications for 2006 CDBG Funds
3. Narrative Summary of 2006 CDBG Applications (with attached correspondence)
4. Analysis of Supplemental Information for Public Service CDBG Applications

ED\CDBG\06>Action Plan CCR 030106

CITY OF PASO ROBLES: 2006 CDBG APPLICATIONS

**A. Public Facilities, Building Rehab, Economic Development Projects
(National Objective: Low Income Benefit)**

#	Applicant	Program/Project	Amount Requested
1	City of Paso Robles	Therapy Pool: reroof and replace HVAC system	\$221,000
2	City of Paso Robles	Install LED-Lighted Crosswalk at 17th & Spring Streets	\$40,000
3	Estrella Warbirds Museum	Install disabled access improvements	\$110,400
4	Homeless Housing Project	Acquire and rehab a home for a "rest and recovery center"	\$500,000 *
5	Small Business Development Center (in partnership with Cuesta College)	Business consulting for existing and start-up businesses for low to middle income business owners	\$5,000
	Total Requested		\$876,400
	Total Available		\$183,789 **

* \$500,000 is total amount for project; HHP applied to County and City of Atascadero to contribute a portion of this amount as well.

** If \$83,800 is used for Category B and \$52,378 for Category C.

B. Public Services (National Objective: Low Income Benefit)

#	Applicant	Program/Project	Amount Requested
6	Economic Opportunity Commission	Senior Health Screening Program	\$ 3,500
7	Economic Opportunity Commission	Forty Wonderful Program	\$ 2,200
8	Economic Opportunity Commission	Teen Academic Parenting Program	\$ 2,500
9	Homeless Housing Project	Motel Voucher Program for the homeless	\$24,000
10	The Literacy Council	The Literacy Program	\$ 3,000
11	Big Brothers & Big Sisters	Mentoring Program for disadvantaged youth	\$ 7,500
12	Senior Volunteer Services	Operating funds for Caring Callers in-home visitation for seniors program	\$ 3,500
13	Paso Robles Youth Arts Foundation	Part-time teachers' salaries	\$20,000
14	Harvest Bag, Inc.	Food distribution to low income households	\$ 1,000
15	Lifestyles Recovery Center	Drug and alcohol counseling	\$ 5,000
	Total Requested		\$72,200
	Total Available		\$52,378

C. Public Facilities Projects (National Objective: Elimination of Blight)

#	Applicant	Program/Project	Amount Requested
16	City of Paso Robles	Purchase decorative newsrack enclosures for the downtown	\$50,000
17	Paso Robles Main Street Association	Install decorative street lights in downtown	\$94,000

CITY OF PASO ROBLES: 2006 CDBG APPLICATIONS

18	City of Paso Robles	Seismic Mitigation Program: Grants to URM building owners for structural engineering analyses and construction plans	\$87,000
	Total Requested		\$231,000
	Total Available		\$83,800

D. Administration and Capacity-Building

#	Applicant	Program/Project	Amount Requested
19	City of Paso Robles	Administration of City's CDBG Program and all CDBG-funded activities *	\$38,000 **
20	City of Paso Robles	Capacity-Building Program: activities to implement Housing Element Programs	\$38,000 **
	Total Requested		\$76,000
	Total Available		\$69,800

* An application for funds for Administration is not required.

** Amounts were calculated on prior (higher) estimate of available CDBG funds

Estimated Revenues

2006 HUD Entitlement	284,387	Amount expected to be allocated to the City from HUD
Program Income	64,800	Amount from repaid CDBG-funded loans (through September 30, 2004)
Subtotal	349,187	Amount on which maximum percentages for administration, public services, and blight elimination are calculated
LED Crosswalk #1 Reprogram	2,580	Unused CDBG funds from prior years (may only be used for Category A projects)
LED Crosswalk #2 Reprogram	38,000	Unused CDBG funds from prior years (may only be used for Category A projects)
Loaves & Fishes (1999) Reprogram	20	Unused CDBG funds from prior years (may only be used for Category A or B projects)
Total	389,787	

Expenditure Summary

A. Low Income Benefit- non public service	183,789	Must be at least 70% of \$279,387 (this amount calculated after deducting administrative funds); reprogrammed LED funds may be (and have been) added to this 70%
B. Blight Elimination	83,800	May not exceed 30% of \$279,387 (this amount calculated after deducting administrative funds)
C. Low Income Benefit - public service	52,398	May not exceed 15% of \$349,187 (this amount calculated before deducting administrative funds; reprogrammed Loaves and Fishes funds were added to this 15%.
D. Administration & Capacity-Building	69,800	May not exceed 20% of \$349,387

CITY OF PASO ROBLES: 2006 CDBG APPLICATIONS

Total	389,787
-------	---------

ED\CDBG\06\APPLICATIONS\APPLICATION TABLE

SUMMARY OF 2006 CDBG APPLICATIONS

ACTIVITIES THAT BENEFIT LOW INCOME PERSONS

1. Municipal Pool: Therapy Pool Rehabilitation: \$221,000. This project is initiated by the City of Paso Robles and consists of replacing the roof and the heating and ventilating system in the Therapy Pool building at the Municipal Pool facility at 28th and Oak Streets. The maintenance on the roof and heating and ventilating system for this building had been long deferred.

The following work needs to be done at the municipal pool complex:

Component	Estimated Cost
Phase 1: Re-roof and replace heating and ventilating equipment for Therapy Pool building	\$300,000 - \$350,000
Phase 2: Install fixtures and furnishings	\$120,000 - \$150,000
Phase 3: Demo and install new roof over mechanical room	\$ 35,000 - \$ 50,000
Phase 4: Site work at east end of Therapy Pool building (culvert, retaining wall, etc.)	\$ 35,000 - \$ 45,000
Subtotal	\$490,000 - \$595,000
Construction Contingency (10%)	\$ 49,000 - \$ 60,000
Architectural Design	\$ 50,000
Bidding Costs (notices, printing, postage)	\$ 3,000
Install a handicapped lift at the main pool (completed)	\$ 4,100
Total	\$596,100 - \$712,100

The \$221,000 cited in the application would, when combined with the \$149,000 allocated in 2005, bring the amount of available CDBG funds up to \$370,000. It is anticipated that future CDBG and/or other funds will be necessary to complete this project.

The Municipal Pool serves the recreational swimming needs of the residents 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).

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: \$40,000. The project consists of installing a wireless LED-lighted crosswalk at the intersection of 17th and Spring Streets.

Based on bids received for the LED-Lighted Crosswalk to be installed at 24th and Oak Streets, it is estimated that the amount of funds necessary to install one crosswalk may be as much as \$40,000, which breaks down as follows:

Install LED-Lighted Crosswalk (expected bid)	\$37,000
5% contingency (rounded)	\$ 2,000
Bidding	<u>\$ 1,000</u>
Total (rounded)	\$40,000

SUMMARY OF 2006 CDBG APPLICATIONS, Page 2

This intersection is located in, and serves 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).

This intersection is 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. Estrella Warbirds Museum Disabled Access Improvements: **\$110,400**. The project consists of installing a concrete walkway to provide disabled access improvements to the exhibits at the Estrella Warbirds Museum at 4251 Dry Creek Road. The applicants have verbally indicated that the requested amount of funds would include payment of prevailing wages.

This project would benefit the physically disabled, which are considered by federal regulations to be low income.

The City has previously made grants of CDBG funds to four other privately-owned buildings for the purpose of making them accessible to the physically disabled. Those buildings and the amount of CDBG funds awarded were: 1945 Park Street (Ali's Building): \$73,000; 1234 Park Street (IOOF Building): \$95,000; and 830 - 11th Street (Classic American Theatre): \$49,000; and Children's Museum: \$135,875.

4. Rest and Recovery Center: **\$500,000**. The Homeless Housing Project (HHP) has requested the City participate with the County of San Luis Obispo and the City of Atascadero to contribute a total of \$500,000 to be used to purchase a single family home to be used by those homeless that are sick and/or recovering from surgery or illness who can not stay at a homeless shelter. (NOTE: HHP has also filed an application for \$500,000 in HOME funds for this same purpose.)

This project would benefit the homeless, which are considered by federal regulations to be low income. HHP has submitted a letter (copy attached to this summary) to supplement their application.

5. Small Business Development Center: **\$5,000**. The Small Business Development Center (SBDC), in partnership with Cuesta College, requests the City to contribute a share of the costs to operate a county-wide program to provide training for small businesses operated or being started by an estimated 198 low income persons.

The applicants have submitted similar applications for several years. The City has yet to award CDBG funds for this activity.

6. Senior Health Screening Program: **\$3,500**. This program is initiated by EOC and requests the City to contribute a share of the costs to operate a county-wide senior health screening program, which is expected to serve 700 low income seniors.

The City has supported this program since 2001. In 2005, it allocated \$2,500 in CDBG funds for this activity.

7. Forty Wonderful Program: **\$2,200**. This program is initiated by EOC and requests the City to contribute a share of the costs to operate a county-wide health screening program restricted to serving about 250 low income women.

The City has supported this program since 2001. In 2005, it allocated \$1,500 in CDBG funds for this activity.

8. Teen Academic Parenting Program: **\$2,500**. This program is initiated by EOC and requests the City to contribute a share of the costs to operate a county-wide counseling and child care program for pregnant teens, teen-aged parents and their children. Their goal is to assist 310 low income persons (mothers, fathers and children) county-wide.

SUMMARY OF 2006 CDBG APPLICATIONS, Page 3

The City has supported this program since 2001. In 2005, it allocated \$2,000 in CDBG funds for this activity.

9. Motel Voucher Program: **\$24,000**. The Homeless Housing Project (HHP) has requested the City to assist in their program of providing motel rooms for those homeless that are too ill to stay at a homeless shelter. According to the application, \$24,000 will benefit 200 persons.

The City has supported this program since 2001. In 2005, it allocated \$24,000 in CDBG funds for this activity.

10. The Literacy Program: **\$3,000**. The Literacy Program requests the City to contribute a share (\$3,000 of \$18,000) of the costs 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 2005, it allocated \$3,000 in CDBG funds for this activity.

11. Big Brothers & Big Sisters' Mentoring Program: **\$7,500**. Big Brothers & Big Sisters requests the City to contribute a share of the costs to operate a county-wide program to provide mentoring services to 200 "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 2005, it allocated \$4,000 in CDBG funds for this activity.

12. Caring Callers Program: **\$3,500**. Senior Volunteer Services requests the City to contribute a share of the costs of operating costs for a county-wide program to provide in-home visitation for estimated 95 – 145 low income seniors.

The City has supported this program since 2004. In 2005, it allocated \$3,500 in CDBG funds for this activity.

13. Paso Robles Youth Arts Foundation. **\$20,000**. Paso Robles Youth Arts Foundation wishes to hire part-time teachers to increase their capacity for their after school arts classes by 50 students.

The Paso Robles Youth Arts Foundation received an allocation of \$37,000 in 2000 CDBG funds, which were used for building permit (administrative) fees and design and construction of adjacent street improvements (curb, gutter, sidewalk, street lights and undergrounding of overhead utility lines). Additionally, \$135,000 in 1999 CDBG funds were used to purchase the property for the Youth Arts Center from the Redevelopment Agency.

14. Harvest Bag Program: **\$1,000**. Harvest Bag, Inc. requests the City to contribute a share of the costs to operate a county-wide program to distribute surplus perishable food (fruit, vegetables, dairy products) to 20 low income households (in the City).

This is the Harvest Bag's first application for a share of City CDBG funds. Their operation differs from Loaves and Fishes in that Harvest Bag distributes perishable food, whereas Loaves and Fishes distributes non-perishable (canned) food. Jackie Sebro of Loaves and Fishes has informed City staff that Loaves and Fishes refers its clients to Harvest Bag as well.

15. Alcohol & Substance Abuse Counseling Program: **\$5,000**. 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 supported this program in 2002, 2003, and 2004. (Lifestyles did not apply for 2005 CDBG funds.) In 2004, the City allocated \$4,000 in CDBG funds for this activity.

SUMMARY OF 2006 CDBG APPLICATIONS, Page 4

ACTIVITIES THAT SERVE TO ELIMINATE BLIGHT

16. Downtown Newsrack Enclosures: \$50,000. This project is initiated by the City of Paso Robles and consists of purchasing 10 decorative modular enclosures for newsracks (at about \$5,000 each) to be 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.

17. Installation of Street Lights in the Downtown: \$94,000. This project has been requested by the Paso Robles Main Street and consists of installing “historic” (ornamental) street lights in the downtown to improve pedestrian safety.

It is estimated that \$94,000 would be sufficient to install 6 lights on Park and Pine Streets, north of 13th Street.

The downtown is located within the Redevelopment Project Area, which is defined as a blighted area. This condition is generally described under the category of “Inadequate Public Improvements”, which the Redevelopment Implementation Plan lists as a blighting factor.

18. Seismic Mitigation Program: \$87,000. This project is initiated by the City of Paso Robles and consists of providing grants to assist owners of unreinforced masonry (URM) buildings to prepare structural analyses and seismic retrofit plans. The City has already allocated \$101,653 in prior year’s CDBG funds to this project.

Owners of a total of 14 buildings executed grant agreements under which the City agreed to pay up to a maximum of \$10,000 of the costs to prepare structural analyses and seismic retrofit plans for each building. At the time that the agreements were prepared, it was estimated that the average cost of preparing analyses and plans would be \$7,000 per building. As of November 2005, analyses and plans have been completed for 5 buildings. For all of these buildings except one, the costs exceeded \$10,000 per building.

To meet the terms of the grant agreements with the remaining buildings, \$35,000 more is needed.

The City has received letters (attached) from two owners of three URM buildings requesting that they be reimbursed for the full amounts (\$19,475 and \$36,870.80) they spent for an analysis and plans for their 3 buildings. Based on the invoices for 5 URM buildings, it appears that the average cost of analyses and plans will be about \$14,000. To provide reimbursement for the full cost of preparing analyses and plans (at \$14,000 per building), \$87,000 more is needed.

Federal regulations provide that CDBG funds may be used to rehabilitate privately-owned commercial buildings if to resolve code violations. (Failure to construct seismic retrofit improvements would be a violation of the City’s Seismic Safety Code.)

All URM buildings are located within the Redevelopment Project Area, which is defined as a blighted area. The Redevelopment Implementation Plan lists unsafe buildings as a condition of blight within the Project Area.

ADMINISTRATIVE ACTIVITIES

19. Grant Administration. \$38,000. The City of Paso Robles has initiated an application to use \$38,000 or 10% of the total amount of 2006 entitlement CDBG funds plus Program Income to administer the CDBG program and all of the activities that are approved.

SUMMARY OF 2006 CDBG APPLICATIONS, Page 5

CDBG Regulations provide that no more than 20% of all entitlement and Program Income CDBG funds in any Program Year may be used for administrative purposes. Since becoming entitled to CDBG funds in 1994, the City has split its administrative allotment between grant administration and capacity building.

20. Capacity Building. \$38,000. The City of Paso Robles has initiated an application to use \$38,000 or 10% of the total amount of 2006 entitlement CDBG funds plus Program Income for City staff time to implement the programs identified in the City's Housing Element of the General Plan to benefit low and moderate income persons. Such programs include, but are not limited to: amendments to the City's zoning code to remove constraints to the provision of housing that is affordable to low and moderate income households; development of an ordinance to require reasonable restrictions on the resale of new housing that is designed and reserved for occupancy by low and moderate income households; development of a plan to ensure that certain percentages of new and replacement housing within the City's Redevelopment Project Area are reserved for occupancy by low and moderate income households; implementing the City's Redevelopment Implementation Plan (which includes detailed plans for using the Low and Moderate Income Housing (LMIH) Fund; and working with developers of housing designed to be affordable to low and moderate income households to process their development applications and government financing.

CDBG Regulations provide that capacity building activities are a type of administrative use and that no more than 20% of all entitlement and Program Income CDBG funds in any Program Year may be used for administrative purposes. Since becoming entitled to CDBG funds in 1994, the City has split its administrative allotment between grant administration and capacity building.

February 1, 2006

Dear Mr. Gallagher:

Enclosed is a proposed budget for a Rest and Recovery Program to replace the Motel Voucher Program. It would use leases, including a lease with option to buy, instead of motels. It is predicated upon receipt of \$50,000 in grant funds for a down payment on the property at 523 and 523 1/2 - 4th St. and the seller's agreement to a lease with option pending a grant for \$450,000 to pay the balance. The \$50,000 grant could be conditional on the seller's agreement. The seller is temporarily out of town. Payments on the lease would be made from current income.

If we could get the \$50,000 from CDBG capital funds or ESG, we would take the first step toward becoming self-supporting.

Please help. Thank you.

Sincerely,

Paul Munab, H&H

Paso Robles

FEB 01 2006

Planning Division

PROPOSED BUDGET FOR REST AND RECOVERY PROGRAM
(TO REPLACE MOTEL VOUCHER PROGRAM)

Income

downpayment grant (CDBG or ESG)	50,000
other grants (conservative est.)	30,214
donations	16,190
fund-raising events	<u>1,956</u>
total	98,360

Expenses

Shady Rest lease	6,360
Oak Park lease	3,000
4th St. lease with option	
downpayment	50,000
annual lease payments	30,000
utilities	3,000
insurance	500
normal maintenance	500
General liability insurance	1,000
officers & directors insurance	900
telephone	1,400
office supplies, postage, printing/photocopying, etc.	<u>1,700</u>
total	98,360

Notes:

Donations and fund-raising: Our proposed budget for this year predicted \$11,700 in donations and \$1200 in fund-raising, but we are running ahead of that. In the first 6 mos. of the year, we have received \$8,095 in donations and \$978 in fund-raising. If we do as well in the second half of the year (which is likely, as we have already received a single donation of \$3,000 from a new donor), we should receive the figures listed annually (\$16,190 for donations & \$1956 in fund-raising).

Officers and Directors Liability Insurance: We have switched to a different company and increased our deductible.

In the event of financial difficulties, we could terminate our month-to-month lease with Shady Rest, if we had the 4th St. property.

We would continue to apply for grants so that we could exercise the option to purchase, including EHAP-CD next year, HUD grants and others. It would take \$450,000 to pay off the property. If we can obtain such a grant, the \$30,000/yr. lease payments would stop.

We will continue to apply for smaller grants as well. We have an applicationspending to Pacificare Health Care Foundation for \$3,000.

The agreement with the seller would provide that the seller take care of asbestos and lead paint abatement in escrow, and pay property taxes. Wheelchair ramps would be made from donated labor and materials. Half of each of the 4th St. cottages would have a kitchenette and the other half a refrigerator and microwave. Guests in each cottage would share a bath. Later, another bath for each cottage would be added, with wheelchair accessibility. A special grant would be sought for this, and donated labor and materials. We have two kitchen sinks which could be installed on the non-kitchenette sides.

The cost of Shady Rest is \$17.42/day, Oak Park \$8.22/day. Without the lease payments, the cost of 4th St. is \$10.96/day, or

divided by 4 persons, \$2.74/day. This will be the permanent cost when the property is paid off. And the property could hold 8 or more, depending on the size of the household. Extraordinary repairs are not included, as they would be made on a one-time only basis. This would help us break our dependency on large CD3G grants. It would expand the capacity of the program. The number of shelter nights required has increased by 200 per year for the last three years.

The figure given for "other grants" is conservative because we have received approximately \$38,000 in grants for this fiscal year. The lease payments can be made from present income. The total cost of the 4th St. property, including lease payments (but not the down payment), utilities, insurance and normal maintenance, is \$34,000/yr. It can accommodate four or more. If occupied by four, the cost per person per night is \$23.29. These units are flexible, and can accommodate four households of varying sizes, so this is a low price to accommodate one household, as compared to the cost of a motel room. This is true even while lease payments are being made. When the property is paid off, it would cost only \$4,000/yr. if no property taxes are required of a 501(c)(3) corporation, or about \$9,600 est. if they are.



CLARK COMPANY
CLARK BUILDING
1031 PINE STREET
PASO ROBLES, CALIFORNIA 93446
TELEPHONE NUMBER (805) 238-7110
FAX: (805) 238-1324



20 September 2005

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

RE: 1031 Pine Street URM retrofit

Dear Mr. Gallagher:

On 22 April 2005, we sent you a letter (copy attached) regarding our request for reimbursement of our costs to our pre-qualified engineer in preparing structural analyses, retrofit plans, and construction costs for our URM building located at 1031 Pine Street in Paso Robles. At that time, we had paid \$18,455.08 to Cannon Associates.

As of today's date, we have paid \$21,449.55 to Cannon Associates, \$1,019.64 to MW Architecture, and \$1,401.39 to the City of Paso Robles for the building permit. Copies of all invoices are enclosed.

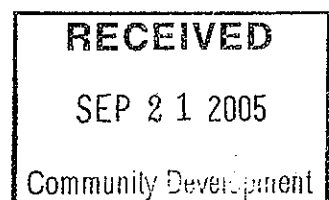
The Grant of Community Development Block Grant Funds suggests reimbursement for \$10,000. However, since the reasonable and necessary ongoing costs have exceeded that amount, we respectfully request the City Council provide for reimbursement of the full cost of preparing the analyses and engineering plans for our building. In the event you are unable to reimburse these expenses, they must be factored into our decision as to whether we are going to be able to reconstruct this historic building, or must regrettably demolish the structure.

We await your favorable reply.

Sincerely,

Pete Clark

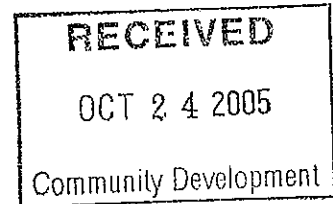
Enclosures
PGC/jh



**Lee & Lena Swanson
212 Greenbriar Lane
Buffalo, Mn 55313
763-682-0135**

October 17, 2005

**Ed Gallagher, Housing Programs Manager
City of Paso Robles
1000 Spring Street
Paso Robles, Ca 93446-0307**



**Re: CDBG Funds
Analysis and Plans for 1421 & 1427 Spring St**

To Whom This Concerns;

As per my Grant Agreement, I am requesting of the City Council, that I be granted an amendment on my two original Grant Agreements, to provide reimbursement for the total cost of preparing the structural analysis, construction plans, and consultant services requested by the City of Paso Robles.

Enclosed are all invoices paid in full to Cannon & Associates and McCarthy & Associates for a total of \$36,870.80. As per the agreement, I realize you cannot reimburse until the permit is pulled, Mr. Bill Hales of O'Grady's will be pulling this permit.

Respectfully,

A handwritten signature in cursive script, appearing to read "Lee Swanson".

**City of Paso Robles CDBG Program
Analysis of Supplemental Information for Public Services for 2006 CDBG Applications**

2. The applicants' proposed programs serve clients who live within the following communities:

	Paso Robles	Atascadero	SLO City	Arroyo Grande	Grover Beach	Morro Bay	Pismo Beach	North County	County: North Coast	South County
EOC – Senior Health	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
EOC – 40 Wonderful	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
EOC – TAPP	✓	✓	✓	✓	✓	✓		✓	✓	✓
HHP Motel Voucher	✓	✓						✓		
Literacy Council	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Big Bros/Big Sisters	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Caring Callers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lifestyles Recovery Center	✓							✓		
Harvest Bag	✓	✓	✓	✓	✓		✓			✓
Paso Robles Youth Arts Foundation	✓	✓						✓		

3. To assist the above programs, applicants have applied for 2006 CDBG funds from the following jurisdictions in the amounts indicated.

	Paso Robles	Atascadero	SLO City	Arroyo Grande	Grover Beach	County	Morro Bay *	Pismo Beach *	County: North Coast	South County
EOC – Senior Health	3,500	2,800		4,500	4,500					
EOC – 40 Wonderful	2,200	2,200		2,200	3,000					
EOC – TAPP	2,500	2,000			2,800					
HHP Motel Voucher	24,000 **	24,000 **				24,000 **				
Literacy Council	3,000	3,000	3,000	3,000	3,000	3,000				
Big Bros/Big Sisters	4,000	3,000		2,061	6,282					
Caring Callers	3,500	1,000		1,000		4,700				
Lifestyles Recovery Center	5,000									
Harvest Bag	1,000	2,000	4,000	6,000	5,000	12,000				
Paso Robles Youth Arts Foundation	20,000									

* The cities of Morro Bay and Pismo Beach do not participate in the entitlement CDBG Program.

** HHP's application asks for a total of \$24,000 from the cities of Paso Robles and Atascadero and the County. Their supplemental application explains that they do not expect to receive any funds from Atascadero or the County.

City of Paso Robles CDBG Program
Analysis of Supplemental Information for Public Services for 2006 CDBG Applications

4. To assist the above-named program, our organization has applied for funds other than CDBG from the following jurisdictions in the amounts indicated below.

	Paso Robles	Atascadero	SLO City	Arroyo Grande	Grover Beach	County	Morro Bay	Pismo Beach	County: North Coast	South County
EOC – Senior Health			3,100			24,300	810	1,500		
EOC – 40 Wonderful			2,700			6,275	810	1,500		
EOC – TAPP			1,000				288			
HHP Motel Voucher										
Literacy Council			6,000							
Big Bros/Big Sisters			7,500			15,000				
Caring Callers			2,700			4,700	300			
Lifestyles Recovery Center										
Harvest Bag			6,000			20,000				
Paso Robles Youth Arts Foundation										

NOTE: Paso Robles does not annually award public services grants outside of the CDBG Program.

List the types of funds applied for in the above table:

	Type of funds
EOC – Senior Health	Grants-in-Aid, County Community Based Organization Grant
EOC – 40 Wonderful	Grants-in-Aid, County Community Based Organization Grant
EOC – TAPP	Grants-in-Aid
HHP Motel Voucher	
Literacy Council	SLO City Grants-in-Aid
Big Bros/Big Sisters	SLO City Grants-in-Aid; County Community Based Organization Grant
Caring Callers	Grants-in-Aid; County Community Based Organization Grant
Lifestyles Recovery Center	
Harvest Bag	Grants-in-Aid, County Community Based Organization Grant; Federal ESFP Grant
Paso Robles Youth Arts Foundation	

**City of Paso Robles CDBG Program
Analysis of Supplemental Information for Public Services for 2006 CDBG Applications**

5a. Rationale/methodology used to determine the amount of CDBG funds requested from each jurisdiction.

	Rationale
EOC – Senior Health	Number of seniors served per jurisdiction
EOC – 40 Wonderful	Number of women served per jurisdiction
EOC – TAPP	Number of pregnant and parenting teens served per jurisdiction
HHP Motel Voucher	County discontinued CDBG funding; Atascadero only supports ECHO.
Literacy Council	Number of clients served per jurisdiction
Big Bros/Big Sisters	Number of clients served per jurisdiction
Caring Callers	Size of community and number of seniors served were the bases for their requests.
Lifestyles Recovery Center	About 90% of clients are from Paso Robles
Harvest Bag	First time request for CDBG; number of clients served per jurisdiction.
Paso Robles Youth Arts Foundation	About 90% of clients are from Paso Robles

b. If your organization serves clients who live within one or more jurisdictions that have a CDBG program, yet your organization did not apply for funds from those jurisdictions, please explain why.

	Rationale
EOC – Senior Health	Grants-in-Aid
EOC – 40 Wonderful	Grants-in-Aid
EOC – TAPP	City of Arroyo Grande will be asked for grants-in aid instead of CDBG; TAPP contracts with County to provide services, so it is ineligible for Community Base Organization Grants.
HHP Motel Voucher	Not applicable
Literacy Council	Not applicable
Big Bros/Big Sisters	Not applicable
Caring Callers	Grants-in-Aid
Lifestyles Recovery Center	Not applicable
Harvest Bag	Not applicable
Paso Robles Youth Arts Foundation	Not applicable

City of Paso Robles CDBG Program
Analysis of Supplemental Information for Public Services for 2006 CDBG Applications

6. Detailed list of the sources and corresponding amounts of revenue for programs: both CDBG and non-CDBG, for the present fiscal year (July 1, 2005 – June 30, 2006).

	CDBG	Non-CDBG	Notes
EOC – Senior Health	11,219	42,709	Grants-in-Aid; United Way, donations, other
EOC – 40 Wonderful	11,972	34,958	Grants-in-Aid; United Way, donations, other
EOC – TAPP	5,017	404,481	Federal, state, and local grants
HHP Motel Voucher	24,000	24,258	\$8,000 County, \$12,900 donations; \$3,358 other grants & dividends
Literacy Council	8,300	156,300	Numerous grants, donations, and a contract
Big Bros/Big Sisters	10,200	296,400	Fundraisers, numerous grants and donations
Caring Callers	4,860	21,335	Numerous grants and donations
Lifestyles Recovery Center	0	6,840	Donations
Harvest Bag	0	\$406,316	In-kind personnel and food donations, grants and fund raising
Paso Robles Youth Arts Foundation	0	135,000	Participation fees, investment income, fund raising

7. Estimated number of clients in the *previous* fiscal year (*July 1, 2004 – June 30, 2005*):

	Total for whole program	Within Paso Robles	
	# of clients	# of clients	% of total
EOC – Senior Health	829	127	15%
EOC – 40 Wonderful	286	13	5%
EOC – TAPP	286	76	27%
HHP Motel Voucher	1,537 shelter nights	999 shelter nights	65%
Literacy Council	465	18	4%
Big Bros/Big Sisters	188	11	6%
Caring Callers	145	25	17%
Lifestyles Recovery Center	1,200	1,080	90%
Harvest Bag	384	11	3%
Paso Robles Youth Arts Foundation	300	270	90%

**City of Paso Robles CDBG Program
Analysis of Supplemental Information for Public Services for 2006 CDBG Applications**

8. Estimated number of clients in the *current* fiscal year (*July 1, 2005 – June 30, 2006*):

	Total for whole program	Within Paso Robles	
	# of clients	# of clients	% of total
EOC – Senior Health	756	78	10%
EOC – 40 Wonderful	200	20	10%
EOC – TAPP	286	85	30%
HHP Motel Voucher	1,850 shelter nights	1,203 shelter nights	65%
Literacy Council	636	35	6%
Big Bros/Big Sisters	200	13	7%
Caring Callers	96 (year to date)	26	27%
Lifestyles Recovery Center	1,200	1,116	93%
Harvest Bag	384	11	3%
Paso Robles Youth Arts Foundation	400	360	90%

9&10. Paid director or administrator.

	Paid Director?	Annual Salary	Medical	Dental	Vision	Life	Retirement	Sick Time	Vacation Time	Auto Use	
EOC – Senior Health	Yes *	78,400 **	←-----\$8,469/year-----→								
EOC – 40 Wonderful	Yes *	78,400 **	←-----\$8,469/year-----→								
EOC – TAPP	Yes *	78,400 **	←-----\$8,469/year-----→								
HHP Motel Voucher	No										
Literacy Council	Yes	42,000	←-----\$361/mo-----→				←-----none-----→			37¢/mile	
Big Bros/Big Sisters	Yes *	42,000	✓				←-----none-----→				
Caring Callers	Yes	15,750	←-----none-----→								30¢/mile
Lifestyles Recovery Center	No										
HHP Motel Voucher	No										
Paso Robles Youth Arts Foundation	No										

* No CDBG funds are used for Director's salary

OPTION A

RESOLUTION NO. 06-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES DETERMINING THOSE PROJECTS TO BE FUNDED WITH THE CITY'S ALLOTMENT OF 2006 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 June 28, 2005, 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 \$284,387 in entitlement CDBG funds in 2006 and, since approval of the 2005 CDBG entitlement allotment, has received \$64,800 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 \$40,600 in unused CDBG funds that had been allocated the activities listed below, all of which had been intended to address the National Objective of benefit to low and moderate income persons, that need to be re-allocated:

\$ 2,580.09	2003 CDBG funds that were allocated to the LED Crosswalk at 24th and Oak Streets;
12,000.00	2004 CDBG funds that were allocated to the LED Crosswalk at 34th and Spring Streets;
26,000.00	2005 CDBG funds that were allocated to the LED Crosswalk at 34th and Spring Streets; and
20.43	1999 CDBG funds that had been allocated to Loaves and Fishes;
<hr/>	
\$40,600.52	and

WHEREAS, on or about September 15, 2005, the urban county published a "Request for Proposals" for projects to be funded under the 2006 CDBG Programs, which provided that proposals were to be submitted by October 31, 2005; and

WHEREAS, on October 5, 2005, 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 or about January 20, 2005, the urban county released a Public Review Draft Consolidated Plan, which indicated those projects to be proposed to receive CDBG funds in 2005; and

WHEREAS, on February 17, 2006, the City published a notice in the Tribune, indicating those projects to be proposed in the Annual Action Plan to receive CDBG funds in 2005; and

WHEREAS, at its meeting of March 1, 2006, 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 2006 Draft Annual Action 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:

OPTION A

1. **Municipal Pool: Therapy Pool Rehabilitation: \$183,789.** This project is initiated by the City of Paso Robles and consists of: (a) replacing the roof and the heating and ventilating system in the Therapy Pool building at the Municipal Pool facility at 28th and Oak Streets; (b) converting conference room into handicapped-accessible restrooms and lockers for Therapy Pool; and (c) installing a handicapped lift at the main pool. The maintenance on the roof and heating and ventilating system for this building had been long deferred. The entire Municipal Pool facility is not yet fully-accessible to the physically disabled. The total cost for this project is estimated to range between \$596,000 and \$712,000. It is the City's intention to divide this project into components that will be accomplished with more than one year of CDBG funds. In 2006, design work will be finished and a construction project put to bid. The City may contribute non-CDBG funds to this project.

The Municipal Pool serves the recreational swimming needs of the residents 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).

This activity qualifies for CDBG funding as a public facility improvement 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).

2. **Seismic Mitigation Program: \$83,800.** This activity consists of re-establishing a grant program to assist owners of unreinforced masonry (URM) buildings to prepare or update seismic strengthening plans. A total of \$101,739 from 2003 and 2004 CDBG funds were allocated to this project. The additional funds are necessary to cover the costs of the seismic plans for all URM Building owners that registered to participate in the program.

This program would serve the National Objective of "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 private buildings under Section 24 CFR 570.202(a).

3. **Senior Health Screening Program: \$2,000.** This program is initiated by EOC and requests the City to contribute a share of the costs to operate a county-wide senior health screening program. Their goal is to serve 700 low income seniors county-wide. CDBG regulations consider seniors to be a "limited clientele" that is principally low income.

This activity 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. **Forty Wonderful Program: \$1,200.** This program is initiated by EOC and requests the City to contribute a share of the costs to operate a health screening program low income women. Their goal is to serve about 250 women county-wide.

This activity 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: \$1,600.** This program is initiated by EOC and requests the City to contribute a share of the costs to operate a counseling and child care program for pregnant teens, teen-aged parents and their children. Their goal is to assist about 310 low income persons (mothers, fathers and children) county-wide.

OPTION A

This activity 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. **Motel Voucher Program:** \$19,198. The Homeless Housing Project (HHP) has requested the City to assist in their program of providing motel rooms for those homeless from the North County's who are too sick and/or disabled to stay at a homeless shelter. Their goal is to provide about 1,940 "shelter-nights" in 2006.

CDBG regulations consider the homeless to be a "limited clientele" that is principally low income. This activity 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).

7. **The Literacy Program:** \$2,400. The Literacy Program requests the City to contribute a share of the costs to operate a county-wide program to provide English Language classes. Their goal is to serve an estimated 700 low income adult persons county-wide. The funds would be used for salaries, equipment and operating expenses for one year.

This activity 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. **Harvest Bag's Food Distribution Program:** \$800. Harvest Bag has requested the City to provide operating funds to assist their program of providing surplus *perishable* food (fruit, vegetables, and dairy products) to low income persons. Their goal is to serve about 400 households county wide.

This activity 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. **Big Brothers/Big Sisters Mentoring Program:** \$3,200. This activity is initiated by Big Brothers/Big Sisters and consists of the City's share to operate a program to provide adult mentors for about 200 low-income "at-risk" children. Their goal is to serve about 200 at-risk children county-wide.

This activity 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. **Caring Callers Program:** \$2,800. Senior Volunteer Services requests the City to contribute a share of the costs of operating costs for a program to provide in-home visitation for low income seniors. Their goal is to serve estimated 950-145 seniors county-wide.

This activity 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. **Paso Robles Youth Arts Foundation:** \$16,000. The Paso Robles Youth Arts Foundation has requested using CDBG fund to hire teachers for their arts programs that are targeted to youth from low income households. Their goal is to serve 220 low and moderate-income children per year. The City Council has previously allocated CDBG funds to assist acquisition of the property for, and construction of, the Youth Arts Center.

OPTION A

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. **Alcohol & Substance Abuse Counseling/Capacity Building: \$3,200.** Lifestyles Recovery Center has requested using CDBG funds for operating expenses for their drug and alcohol counseling services. Their goal is to serve clients from 60 households per year. The City Council allocated \$4,000 in 2004 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).

17. **Capacity Building: \$34,900.** An administrative activity which consists of City staff work on the various housing programs listed in the Housing Element of the General Plan.

This activity qualifies for CDBG funding as a planning and “planning-policy-management-capacity building” under Section 24 CFR 570.205. The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2) and elimination of blight in accordance with 24 CFR 570.208(b).

18. **Grant Administration: \$34,900.** Grant administration consists primarily of staff time managing CDBG-funded projects.

This activity qualifies for CDBG funding as a program administrative costs under Section 24 CFR 570.206. The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2) and elimination of blight in accordance with 24 CFR 570.208(b).

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1st day of March 2006 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Cathy M. David, Deputy City Clerk

OPTION B

RESOLUTION NO. 06-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
DETERMINING THOSE PROJECTS TO BE FUNDED WITH THE CITY'S ALLOTMENT
OF 2006 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 June 28, 2005, 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 \$284,387 in entitlement CDBG funds in 2006 and, since approval of the 2005 CDBG entitlement allotment, has received \$64,800 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 \$40,600 in unused CDBG funds that had been allocated the activities listed below, all of which had been intended to address the National Objective of benefit to low and moderate income persons, that need to be re-allocated:

\$ 2,580.09	2003 CDBG funds that were allocated to the LED Crosswalk at 24th and Oak Streets;
12,000.00	2004 CDBG funds that were allocated to the LED Crosswalk at 34th and Spring Streets;
26,000.00	2005 CDBG funds that were allocated to the LED Crosswalk at 34th and Spring Streets; and
20.43	1999 CDBG funds that had been allocated to Loaves and Fishes;
<hr/>	
\$40,600.52	and

WHEREAS, on or about September 15, 2005, the urban county published a "Request for Proposals" for projects to be funded under the 2006 CDBG Programs, which provided that proposals were to be submitted by October 31, 2005; and

WHEREAS, on October 5, 2005, 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 or about January 20, 2005, the urban county released a Public Review Draft Consolidated Plan, which indicated those projects to be proposed to receive CDBG funds in 2005; and

WHEREAS, on February 17, 2006, the City published a notice in the Tribune, indicating those projects to be proposed in the Annual Action Plan to receive CDBG funds in 2005; and

WHEREAS, at its meeting of March 1, 2006, 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 2006 Draft Annual Action 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:

OPTION B

1. **Municipal Pool: Therapy Pool Rehabilitation: \$183,789.** This project is initiated by the City of Paso Robles and consists of: (a) replacing the roof and the heating and ventilating system in the Therapy Pool building at the Municipal Pool facility at 28th and Oak Streets; (b) converting conference room into handicapped-accessible restrooms and lockers for Therapy Pool; and (c) installing a handicapped lift at the main pool. The maintenance on the roof and heating and ventilating system for this building had been long deferred. The entire Municipal Pool facility is not yet fully-accessible to the physically disabled. The total cost for this project is estimated to range between \$596,000 and \$712,000. It is the City's intention to divide this project into components that will be accomplished with more than one year of CDBG funds. In 2006, design work will be finished and a construction project put to bid. The City may contribute non-CDBG funds to this project.

The Municipal Pool serves the recreational swimming needs of the residents 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).

This activity qualifies for CDBG funding as a public facility improvement 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).

2. **Seismic Mitigation Program: \$83,800.** This activity consists of re-establishing a grant program to assist owners of unreinforced masonry (URM) buildings to prepare or update seismic strengthening plans. A total of \$101,739 from 2003 and 2004 CDBG funds were allocated to this project. The additional funds are necessary to cover the costs of the seismic plans for all URM Building owners that registered to participate in the program.

This program would serve the National Objective of "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 private buildings under Section 24 CFR 570.202(a).

3. **Senior Health Screening Program: \$2,550** This program is initiated by EOC and requests the City to contribute a share of the costs to operate a county-wide senior health screening program. Their goal is to serve 700 low income seniors county-wide. CDBG regulations consider seniors to be a "limited clientele" that is principally low income.

This activity 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. **Forty Wonderful Program: \$1,600.** This program is initiated by EOC and requests the City to contribute a share of the costs to operate a health screening program low income women. Their goal is to serve about 250 women county-wide.

This activity 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: \$1,800.** This program is initiated by EOC and requests the City to contribute a share of the costs to operate a counseling and child care program for pregnant teens, teen-aged parents and their children. Their goal is to assist about 310 low income persons (mothers, fathers and children) county-wide.

OPTION B

This activity 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. **Motel Voucher Program:** \$17,500. The Homeless Housing Project (HHP) has requested the City to assist in their program of providing motel rooms for those homeless from the North County's who are too sick and/or disabled to stay at a homeless shelter. Their goal is to provide about 1,940 "shelter-nights" in 2006.

CDBG regulations consider the homeless to be a "limited clientele" that is principally low income. This activity 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).

7. **The Literacy Program:** \$2,200. The Literacy Program requests the City to contribute a share of the costs to operate a county-wide program to provide English Language classes. Their goal is to serve an estimated 700 low income adult persons county-wide. The funds would be used for salaries, equipment and operating expenses for one year.

This activity 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. **Harvest Bag's Food Distribution Program:** \$725. Harvest Bag has requested the City to provide operating funds to assist their program of providing surplus *perishable* food (fruit, vegetables, and dairy products) to low income persons. Their goal is to serve about 400 households county wide.

This activity 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. **Big Brothers/Big Sisters Mentoring Program:** \$5,450 This activity is initiated by Big Brothers/Big Sisters and consists of the City's share to operate a program to provide adult mentors for about 200 low-income "at-risk" children. Their goal is to serve about 200 at-risk children county-wide.

This activity 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. **Caring Callers Program:** \$2,525. Senior Volunteer Services requests the City to contribute a share of the costs of operating costs for a program to provide in-home visitation for low income seniors. Their goal is to serve estimated 950-145 seniors county-wide.

This activity 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. **Paso Robles Youth Arts Foundation:** \$14,448. The Paso Robles Youth Arts Foundation has requested using CDBG fund to hire teachers for their arts programs that are targeted to youth from low income households. Their goal is to serve 220 low and moderate-income children per year. The City Council has previously allocated CDBG funds to assist acquisition of the property for, and construction of, the Youth Arts Center.

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).

12. **Alcohol & Substance Abuse Counseling/Capacity Building: \$3,600.** Lifestyles Recovery Center has requested using CDBG funds for operating expenses for their drug and alcohol counseling services. Their goal is to serve clients from 60 households per year. The City Council allocated \$4,000 in 2004 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).

17. **Capacity Building: \$34,900.** An administrative activity which consists of City staff work on the various housing programs listed in the Housing Element of the General Plan.

This activity qualifies for CDBG funding as a planning and “planning-policy-management-capacity building” under Section 24 CFR 570.205. The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2) and elimination of blight in accordance with 24 CFR 570.208(b).

18. **Grant Administration: \$34,900.** Grant administration consists primarily of staff time managing CDBG-funded projects.

This activity qualifies for CDBG funding as a program administrative costs under Section 24 CFR 570.206. The national objective achieved is benefit to low and moderate income persons in accordance with 24 CFR 570.208(a)(2) and elimination of blight in accordance with 24 CFR 570.208(b).

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1st day of March 2006 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Cathy M. David, Deputy City Clerk