



Council Agenda Report

From: Darren Nash, Associate Planner

Subject: 2017 Federal Community Development Block Grant (CDBG) Action Plan: For the City Council to make a recommendation to the San Luis Obispo County Board of Supervisors for allocation of funding for the City's portion of the 2017 CDBG program.

Date: March 21, 2017

Facts

1. The City receives its annual allocations of Federal CDBG funds through the County of San Luis Obispo. The County takes the lead role in administration of the CDBG program. This includes the preparation, adoption and annual updating of a "Consolidated Plan", which US Department of Housing and Urban Development (HUD) approves following adoption by the San Luis Obispo County Board of Supervisors. Under a cooperation agreement with the County, the City retains the right to decide how its allocation of CDBG funds will be used.
2. October 21, 2016 was the deadline for submittal of applications for 2017 CDBG funding grants. As of that date, the City received six (6) applications (including an application from the City for administrative use of CDBG funds). The total amount of funding requested for the six (6) applications comes to \$175,499.
3. The Council has discretion to consider any of the applications filed by October 21, 2016, whether or not they are recommended for funding in the Draft Consolidated Plan.
4. The U.S. Department of Housing and Urban Development (HUD) is not expected to publish the amounts of available 2017 CDBG funds to be distributed to recipients until Spring 2017. The City was allocated \$191,591 in 2016 and, based on information from HUD, it is anticipated the City will be entitled to \$183,790.
5. Federal regulations impose several limits on the use of CDBG funds as follows:
 - a. At least 70% of all funds *must* be spent on activities that benefit low income persons, and no more than 30% *may* be spent on activities that eliminate blight;
 - b. No more than 15% of CDBG funds *may* be used for public service activities;
 - c. No more than 20% of CDBG funds *may* be used for administrative uses;
6. The \$183,790 is available to be divided among the proposed activities, as shown below:

\$119,464	for low income benefit – non-public service projects
\$27,568	maximum for low income benefit – public service programs
\$36,758	maximum for administration
\$183,790	Total

7. At its meeting of December 6, 2016, the City Council reviewed all of the applications and recommend the following list of applications to be included in the Draft Consolidated Plan recommended to the Board of Supervisors:

2017 CDBG Action Plan Recommendations

approved by CC on
12/6/16 on 5-0 vote

	City Council Allocation	Max Allocation
Public Improvements		
Sierra Bonita Handicapped Ramps	\$ 119,464	\$ 119,464 65%
Public Service Program Grants		
1. CAPSLO - Adult Day Care (\$10,000)	\$ 9,189	
2. Lifestyles Recovery Center - drug / alcohol counseling (\$9,580)	\$ 9,189	
3. ECHO - Homeless Shelter (\$18,590)	\$ 9,189	
4. Life Steps Foundation - home senior care (\$5,000)	\$ -	
	\$ 27,567	\$ 27,568 15%
	\$ 1	
Administration		
County Administration	\$ 23,893	\$ 36,758 20%
City Administration	\$ 12,865	
Total	\$ 183,789	\$ 183,790 100%

Options

A. Approve Resolution A, approving the following applications to be listed in the Draft One Year Action Plan as being recommended for funding:

- a) Handicapped Ramps (Sierra Bonita area).....\$ 119,464
 - b) Public services:
 - CAPSLO – Adult Day Care.....\$ 9,189
 - Lifestyles Recovery Center – drug/alcohol counseling.....\$ 9,189
 - ECHO – Homeless Shelter\$ 9,189
 - c) Administration\$ 36,758
- Total \$ 183,789**

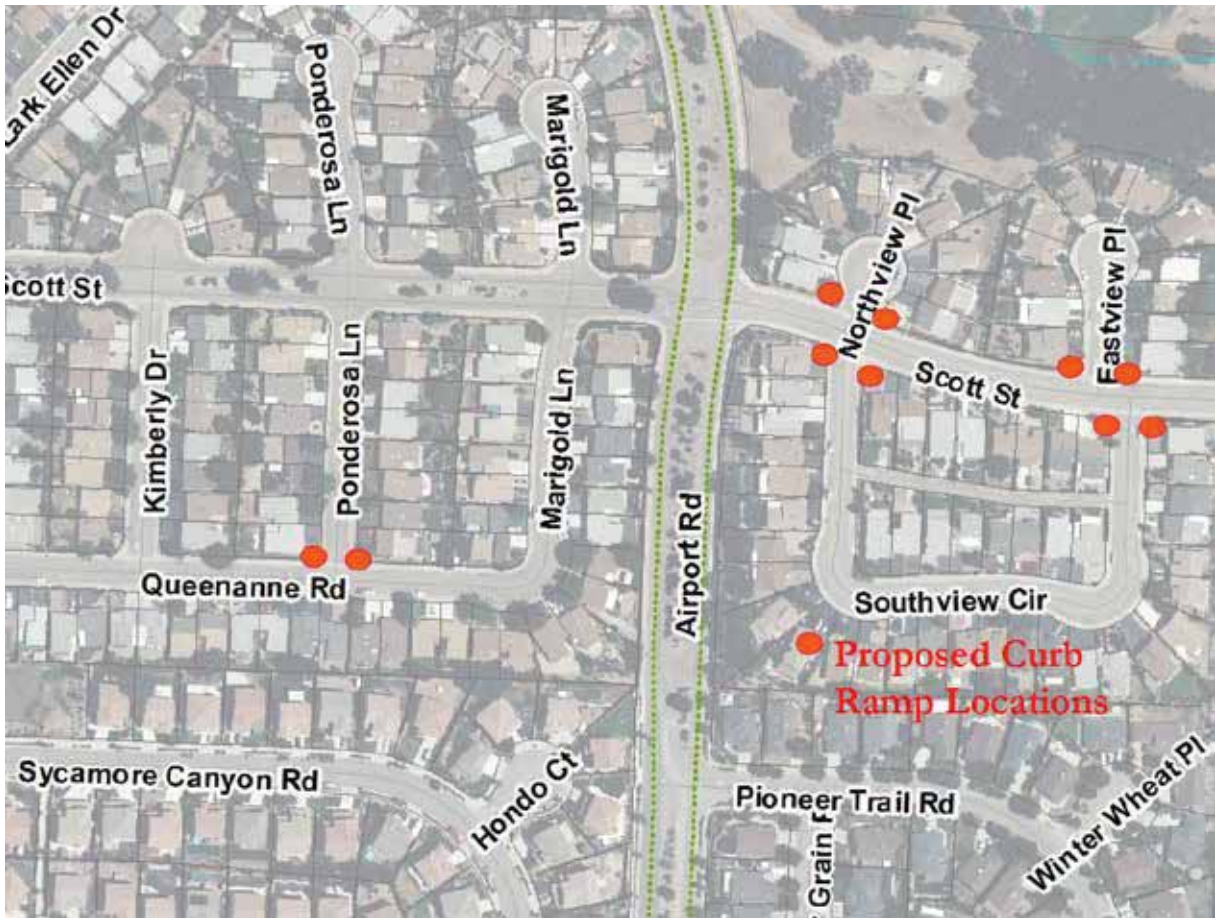
B. Refer the item back to staff for additional analysis and funding scenarios.

C. Amend, modify or reject the foregoing options.

Analysis and Conclusions

Option A:

Public Improvement Projects. There is only one City application for \$119,464 for a public improvement project for the 2017 CDBG Program, which is to install and replace ten (10) handicap ramps and related improvements within the Sierra Bonita Senior neighborhood.



Sierra Bonita Neighborhood – Handicapped Ramp locations

Option A recommends allocations to the Handicapped Ramps project.

Public Service Applications. The City is expected to have \$27,568 for Public Service grants in 2017. The City Council on December 6, 2016, recommended that the \$27,568 be distributed to the public service applicants as follows:

CAPSLO – Adult Day Care.....	\$	9,189
Lifestyles Recovery Center – drug/alcohol counseling.....	\$	9,189
ECHO – Homeless Shelter	\$	9,189
	\$	27,568

Administration. Requesting \$36,758 in 2017 CDBG Funds (\$12,865 for the City, and 23,893 for County Administration purposes).

Administration refers to staff time and expenses directly related to managing the CDBG program and those activities funded with CDBG funds. As a condition of accepting CDBG funds, the city must ensure compliance with numerous federal regulations that govern aspects such as public hearings, environmental review, procurement, labor laws, and filing of quarterly reports on progress made and the socio-economic profile of beneficiaries served by the funded activities.

CDBG Regulations provide that no more than 20% of all entitlement CDBG funds in any Program Year may be used for administrative purposes.

As part of the Cooperation Agreement executed with the County in 2014, the City has agreed to allocate 65 percent of the administration funding to the County for its administrative activities that directly benefit the City. Therefore, of the \$36,758 proposed to be allocated for administrative purposes, \$23,893 would be allocated to the County and the remaining \$12,865 would be used by the City for administrative activities.

Option B:

Council could determine that more information and analysis is necessary and refer back to staff.

Option C:

Council could amend, modify or reject the foregoing options.

At the City Council meeting on December 6, 2016, the Council recommended Option A. This option allows the Sierra Bonita handicap ramp project to move forward and provides the maximum amount of funds available for public services to be distributed as described above.

Regardless of December 2016 recommendations, Council will have the authority to approve any of the submitted applications for CDBG funds following a public hearing to be scheduled for early March 2017.

Fiscal Impact

Participation in the federal CDBG Program has involved and will continue to demand a commitment of staff resources which are off-set by the 20% administration funding. Utilizing CDBG funds avoids adverse impacts on the City’s General Fund for public accessibility improvements and public service funding support.

Recommendation

1. Approve Resolution A, approving the following applications to be listed in the Draft One Year Action Plan as being recommended for funding:

a) Handicapped Ramps (Sierra Bonita area).....	\$ 119,464
b) Public services:	
CAPSLO – Adult Day Care.....	\$ 9,189
Lifestyles Recovery Center – drug/alcohol counseling.....	\$ 9,189
ECHO – Homeless Shelter	\$ 9,189
c) <u>Administration & Capacity Building</u>	<u>\$ 36,758</u>
Total	\$ 183,790

Attachments

1. Resolution A approving the Annual Action Plan for 2017 CDBG Funds
2. Newspaper Notice Affidavit

Attachment 1

Draft Resolution A

DRAFT RESOLUTION 17-xxx

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
RECOMMENDING TO THE SAN LUIS OBISPO COUNTY BOARD OF SUPERVISORS
PROJECTS TO BE FUNDED WITH THE CITY'S ALLOTMENT
OF 2017 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 15, 2014 and as amended on September 23, 2014, the City waived its individual entitlement status for a period of three years with an option for an automatic three year renewal 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, on August 19, 2016, the San Luis Obispo County published a "Request for Proposals" for projects to be funded under the 2017 CDBG Programs, which provided that proposals were to be submitted by October 21, 2016; and

WHEREAS, on September 14, 2016, the San Luis Obispo County conducted a public meeting in Atascadero 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, the City of Paso Robles received six (6) applications for 2017 CDBG funding grants, which were reviewed and prioritized for funding at the City Council meeting on December 6, 2016 and forwarded to the San Luis Obispo County Board of Supervisors; and

WHEREAS, on February 16, 2017, the urban county conducted a public meeting in San Luis Obispo for residents of San Luis Obispo County, including the City of Paso Robles, to accept comments on the Draft 2017 Consolidated Plan; and

WHEREAS, on March 9, 2017, the City published a notice in the Tribune, indicating that a public hearing would be conducted on the Draft 2017 Annual Action Plan on March 21, 2017; and

WHEREAS, at its meeting of March 21, 2017, the City Council conducted a public hearing to obtain public testimony on the proposed Draft Consolidated Plan;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. All of the above recitals are true and correct and incorporated herein by reference.

Section 2. Based on an expectation that the City will receive \$183,790 in 2017 CDBG funds, to recommend that the Board of Supervisors for the County of San Luis Obispo adopt the 2017 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:

Attachment 1

Draft Resolution A

Public Facilities

Public Facilities are eligible to receive CDBG funds under Section 24 CFR 570.201(c)

1. **Handicapped Ramps:**

Applicant: City of Paso Robles
Amount Requested: \$119,464
Activity Description: The project consists of the installation of ADA compliant handicap ramps and related improvements (removal of architectural barriers) at ten (10) locations along Scott Street and Queenanne Road within the Sierra Bonita Senior neighborhood. The project includes repairing adjacent sidewalk, curb, gutter, pavement and striping as necessary with the construction of the ramps at each intersection.
Eligibility: Public Facility (24 CFR 570.201(c))
National Objective: Low and Moderate Income Benefit
Explanation: Limited Clientele basis (24 CFR 570.208(a)(2)): Handicapped ramps serve the physically-disabled, which are considered to be a group that is principally of low and moderate income.

Public Services

Public Services to low income persons are eligible for CDBG funding 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). Recipients must demonstrate that 51% or more of their clients qualify as low and moderate income persons.

2. **Senior Day Care Program:**

Applicant: CAPSLO
Amount Requested: \$9,189
Activity Description: Provides supportive day care environment for seniors with early stages of Alzheimer's or other forms of dementia or cognitive impairments.
Number of beneficiaries: 50 persons in northern San Luis Obispo County.

3. **Drug/Alcohol Counseling:**

Applicant: Lifestyles Recovery Center
Amount Requested: \$9,189
Activity Description: Drug/alcohol counseling program located in Paso Robles.
Number of beneficiaries: 30 persons in northern San Luis Obispo County.

4. **Emergency Shelter:**

Applicant: El Camino Homeless Organization
Amount Requested: \$9,189
Activity Description: Operating a homeless shelter for individuals and families in northern San Luis Obispo County.
Number of beneficiaries: 422 persons in northern San Luis Obispo County.

Administration:

5. CDBG Program Administration.

Attachment 1

Draft Resolution A

Applicant: City of Paso Robles
Amount Requested: \$12,865
Activity Description: Administer the CDBG program and all of the activities that are approved.
CDBG Eligibility: Program Administration (24 CFR 570.206)
National Objective: Low and Moderate Income Benefit; Blight Elimination
Explanation: Administration and Capacity Building (24 CFR 570.208(d)(4)): This section provides that administrative and capacity building activities are considered to address National Objectives.

The \$12,865 that is shown above is what is left for the City, after the \$23,893 is forwarded to the County for program administration. The City of Paso Robles has annually conducted a CDBG-funded Capacity Building program since 1994.

Section 3. If, after the adoption of this resolution, the City learns that the amount of 2017 CDBG funds varies from the \$183,790 as expected, the additional or reduced CDBG funds shall be allocated as follows:

- A. If the amount of change (addition or reduction) is within twenty percent (20%) of the expected allocation of \$183,790, the City Manager may administratively direct that the amounts to be allocated to the 5 activities listed in Section 1 of this resolution may be revised in a proportionate manner and subject to conformance with federal regulations for allocating CDBG Funds set forth in 24 CFR Part 570.
- B. If the amount of change (addition or reduction) is greater than twenty percent (20%) of the expected allocation of \$183,790, the City Council shall conduct a subsequent public hearing, to be noticed in accordance with federal regulations governing the Consolidated Plan set forth in 24 CFR Part 91 to allocate any additional funds or to distribute any reduction.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 21st day of March 2017 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Steven W. Martin, Mayor

ATTEST:

Kristen L. Buxkemper, Deputy City Clerk

PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION
PROJECT NOTICING

Newspaper: The Tribune

Date of Publication: 03/09/17

Meeting Date: 03/21/17
City Council

Project: 2017 Federal Community
Development Block Grant (CDBG)
Annual Action Plan

I, Monica C Hollenbeck, employee of the
Community Development Department, Engineering
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: Monica C Hollenbeck
Monica C Hollenbeck

CITY OF EL PASO DE ROBLES
NOTICE OF PUBLIC HEARING

**2017 FEDERAL COMMUNITY
DEVELOPMENT BLOCK GRANT (CDBG)
ANNUAL ACTION PLAN**

NOTICE IS HEREBY GIVEN that the City Council of the City of El Paso de Robles will hold a Public Hearing on the following matter:

1. Draft 2017 Annual Action Plan for Federal Community Development Block Grant (CDBG). The Annual Action Plan is a component of the 5 year Consolidated Plan for these funding programs. The City Council will consider a recommendation to the San Luis Obispo County Board of Supervisors identifying applications for funding through the City's share of 2017 CDBG funds, which are estimated to be \$183,790.

This hearing will take place in the Conference Room at the Paso Robles Library/ City Hall, 1000 Spring Street, Paso Robles, California, on Tuesday, March 21, 2017, at the hour of 6:30 pm.

All interested parties may appear and be heard at the above hearing.

Copies of the staff report with the proposed funding are available at Paso Robles City Hall, 1000 Spring Street, Paso Robles, and will be posted on the City's web site: www.prcity.com one week prior to the hearing. Copies of the staff report may be purchased at City Hall for the cost of reproduction.

Comments on the Draft 2017 Annual Action Plan may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 or e-mailed to CDdirector@prcity.com provided that such comments are received prior to the time of the hearing.

If you have questions about this matter, you may call Darren Nash, Associate Planner, at (805) 237-3970 or send email to dnash@prcity.com.

March 9, 2017 2963439