



City Council Agenda Item

City Council Meeting Date: May 3, 2022

TO: Dean Albro, City Manager

FROM: Chanel Ovalle, Community Development Program Manager
c_ovalle@ci.lompoc.ca.us

SUBJECT: Approval of Fiscal Year 2022-23 Draft Annual Action Plan and Budgets for the Community Development Block Grant and Human Services Programs; Adoption of Resolution No. 6494(22)

Recommendation:

Staff recommends the City Council:

- 1) Hold a public hearing;
- 2) Approve the selection of Capital Improvement Projects under the Community Development Block Grant (CDBG) Program for Fiscal Year (FY) 2022-23;
- 3) Adopt Resolution No. 6494(22) (Attachment 1) approving FY 2022-23 Budgets for the CDBG and Human Services program funds for inclusion in the draft City of Lompoc Annual Action Plan (Action Plan) for FY 2022-23 (Attachment 2);
- 4) Authorize the City Manager or designee to sign any agreements or certifications that authorize the City to receive the funds; and
- 5) Authorize submission of the approved FY 2022-23 Action Plan (Attachment 2) to the U.S. Department of Housing and Urban Development (HUD) at the conclusion of the 30-day public comment period (May 3, 2022) for CDBG funds; or
- 6) Provide alternate direction.

Background/Discussion:

On February 25, 2021, HUD notified CDBG Entitlement Communities of the FY 2022-23 allocation amount. The City's CDBG grant amount for FY 2022-23 is \$537,987. Funding is allocated as follows:

Program Administration	\$ 107,597	(20% cap)
Human Services Program	\$ 80,698	(15% cap)
CDBG Capital Projects	\$ 349,692	

In addition to FY 2022-23 CDBG and CDBG-CV funds, the City projects the following additional funding:

CDBG Program Income	\$ 553,573	(estimated)
Human Service Donations	\$ 17,390	(estimated)

The primary objective of the CDBG Program is the development of viable communities. That is achieved by providing the following, principally for persons of low- and moderate-income:

- Decent housing;
- A suitable living environment; and
- Expanded economic opportunities.

Additional funding criteria include:

- CDBG funds may not replace any City or State-funded functions;
- Human service donations from Lompoc utility customers are restricted for human service activities and are not to be used for administrative costs;
- All funds must be used for activities that benefit low-income persons; and
- Expenditures that are not in compliance with HUD regulations must be paid back from the City's General Fund.

Community Involvement:

Community involvement is an important factor in identifying projects for funding under CDBG and Human Services Program. To meet that objective, the City held a publicly noticed pre-application workshop on Wednesday, November 10, 2021, with a display notice inviting grant proposals on the City of Lompoc Website with additional invitations sent to local stakeholders.

Fiscal Impact:

Administration

Up to 20% of FY 2022-23 CDBG funds (\$107,597) may be used for Program Administration. Staff is recommending the City Council allocate \$107,597 of the total FY 2022-23 CDBG funds towards FY 2022-23 Program Administration, including salaries and supplies.

Capital Projects

The City has designated all \$349,692 of its FY 2022-23 CDBG grant allocation towards Capital Projects. 'Capital Projects' include all uses of CDBG funds, such as Public Facility Improvement requests, but excludes General Program Administration and the Human Service Program. The following projects were identified during the biennial budget process and allocations are recommended:

Public Facilities Project:

Americans with Disabilities Act (ADA) Improvements to Public Facilities (funded from CDBG Entitlement for \$299,692 and Program Income for \$484,507) at parks identified with deficiencies through the Feasibility Study and Conceptual Design, which was funded with FY 2016-17 CDBG funds as Phase 1.

Housing Programs:

Catholic Charities Emergency Repair Grant Program – program (funded from CDBG Entitlement for \$50,000) will provide Mobile Home Emergency Repair Grants for seniors and other low-income households facilitating emergency repairs to the property and safeguarding against imminent danger to human life, health, safety, and to protect the property from further structural damage due to natural disaster, fire, or structural collapse.

Loan Programs Delivery

Loan Administration Program:

CDBG Program Income of \$61,978 is needed to fund Loan Program Delivery costs for FY 2022-23 in program CDBG Loan Administration. Loan Administration staff process loan servicing to also include monitoring to manage a portfolio consisting of 30 active loans totaling \$1,781,072.85 (as of 03/30/2022).

Human Services Program:

The City received seven eligible applications for funding requests totaling \$150,000. The City's Human Services Commission met on February 7, 2022, to formulate its recommendations to the City Council.

The City may use up to 15% of its FY 2022-23 CDBG allocation to fund Human Service Programs. The Human Services Commission recommends the following Human Service Program allocations:

Agency Name:	Amount:
Catholic Charities	\$15,000
City of Lompoc Recreation Community Program	15,000
Good Samaritan Homeless Shelters	15,000
North County Rape Crisis and Child Protection Center	15,000
Transitions Mental Health Association	15,000
United Boys and Girls Club of Lompoc	15,088
YMCA of Lompoc	15,088
TOTAL	\$105,176

Funding for the FY 2022-23 Human Service Program allocations totaling \$105,176 will be paid from the following sources:

CDBG 2022-23 (15% Cap)	\$ 80,698
CDBG 2021-22 Program Income	\$ 7,088
Human Services Donations	\$ 17,390
TOTAL AVAILABLE	\$ 105,176

The Human Service Donation amount requested for the Human Services Program in FY 2022-23 is comprised of estimated donations from utility customers.

Conclusion:

The FY 2022-23 Action Plan was posted for public review on the City’s website on March 31, 2022, for a 30-day public comment period. City staff will continue to receive comments from the public through May 3, 2022. Copies of the signed City Council Resolution, signed HUD certifications, minutes of the City Council meeting, and any public comments or written correspondence received during the 30-day public notice period, will be forwarded to HUD with the FY 2022-23 Action Plan.

Respectfully submitted,

Chanel Ovalle, Community Development Program Manager

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

Christie Alarcon, Community Development Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

- Attachments: 1) Resolution No. 6494(22)
2) Draft 2022-23 Annual Action Plan