



City Council Agenda Item

City Council Meeting Date: April 18, 2023

TO: Dean Albro, City Manager

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

SUBJECT: Approval of Fiscal Year 2023-24 Draft Annual Action Plan and Budgets for the Community Development Block Grant and Human Services Programs; Adoption of Resolution No. 6571(23)

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) 2023-24;
- 3) Adopt Resolution No. 6571(23) (Attachment 1) approving FY 2023-24 Budgets for the CDBG Human Services Program for inclusion in the draft City of Lompoc Annual Action Plan (Action Plan) for FY 2023-24 (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 2023-24 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 (April 22, 2023) for CDBG funds; or
- 6) Provide alternate direction.

Background/Discussion:

In March this year, HUD notified CDBG Entitlement Communities of the FY 2023-24 allocation amount. The City's CDBG grant amount for FY 2023-24 is \$505,954. Funding is allocated as follows:

| | | |
|------------------------|------------|-----------|
| Program Administration | \$ 101,190 | (20% cap) |
| Human Services Program | \$ 75,893 | (15% cap) |
| CDBG Capital Projects | \$ 328,871 | |

In addition to FY 2023-24 CDBG and CDBG-CV funds, the City projects the following additional funding:

| | | |
|---------------------|------------|-------------|
| CDBG Program Income | \$ 307,027 | (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 and needs assessment on Wednesday, November 9, 2022, 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 2023-24 CDBG funds (\$101,190) may be used for Program Administration. Staff is recommending the City Council allocate \$101,190 of the total

FY 2023-24 CDBG funds towards FY 2023-24 Program Administration, including salaries, supplies and fair housing services.

Capital Projects

The City has designated all \$328,871 of its FY 2023-24 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 \$278,871 and Program Income for \$245,622) 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 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:

The City may use up to 20% of its CDBG Program Income (equating to \$61,405) for CDBG Loan Administration which is needed to fund Loan Program Delivery costs for FY 2023-24. Staff is recommending the City Council allocate \$61,405 in CDBG Program Income toward the CDBG Loan Administration for staff that process loan servicing to include monitoring and managing a portfolio consisting of 26 active loans totaling \$1,634,737.64 (as of 03/27/2023).

Human Services Program:

The City received four eligible applications for funding requests totaling \$80,000. The City's Human Services Commission met on February 6, 2023, to formulate its recommendations to the City Council.

The City may use up to 15% of its FY 2023-24 CDBG allocation totaling \$75,893 to fund Human Service Programs. The Human Services Commission recommends the following Human Service Program allocations:

| Agency Name: | Amount: |
|--|-----------------|
| Catholic Charities | \$20,000 |
| City of Lompoc Recreation Community Program | 17,163 |
| Good Samaritan Homeless Shelters | 23,730 |
| North County Rape Crisis and Child Protection Center | 15,000 |
| TOTAL | \$75,893 |

Conclusion:

The FY 2023-24 Action Plan was posted for public review on the City’s website on March 24, 2023, for a 30-day public comment period. City staff will continue to receive comments from the public through April 22, 2023. 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 2023-24 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. 6571(23)
2) Draft 2023-24 Annual Action Plan