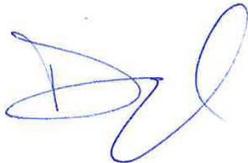


City of Calistoga

Staff Report

TO Honorable Mayor and City Council
FROM Lynn Goldberg, Planning and Building Director
DATE December 6, 2016
SUBJECT **2016 Community Development Block Grant Program Income Reuse Agreement**

APPROVAL FOR FORWARDING:



Dylan Feik, City Manager

1 **ISSUE:** Consideration of a Program Income Reuse Agreement for 2016 Community
 2 Development Block Grant funding

3 **RECOMMENDATIONS:**

- 4 1. Receive staff report
 5 2. Hold a public hearing to receive public comments on the Program Income Reuse
 6 Agreement
 7 3. Adopt the attached resolution accepting \$600,000 of 2016 Community
 8 Development Block Grant funding for the owner-occupied residential
 9 rehabilitation program and approving a Program Income Reuse Agreement

10 **BACKGROUND:** The Community Development Block Grant (CDBG) Program
 11 promotes the development of viable communities by providing decent housing and a
 12 suitable living environment, and expanding economic opportunities, principally for
 13 persons of low- and moderate- income.

14 CDBG Funds are provided through the U.S. Department of Housing & Urban
 15 Development (HUD) and the program is administered by the California Department of
 16 Housing and Community Development (HCD). The City of Calistoga may submit an
 17 annual application on behalf of itself and/or certain entities.

18 After a public hearing on July 19, 2016, the City Council authorized submittal of an
19 application to HCD for 2016 Community Development Block Grant funding for the
20 following activities and funding amounts.

Activity	Administrator	Requested Funding
1. Construction of multi-use path and bocce courts at Logvy Park	City of Calistoga	\$328,890
2. Residential rehabilitation of single-family dwellings	Housing Authority	\$600,000
3. a. Case management for battered and abused spouses b. Case management for seniors c. Subsistence payments for emergency assistance	UpValley Family Centers	\$270,000

21 On October 25, 2016, HCD notified the City that it had been awarded funding for only
22 one of the proposed activities, namely \$600,000 for an owner-occupied residential
23 rehabilitation program.

24 **DISCUSSION:** HCD will be sending a Standard Agreement to the City, and upon
25 clearance of all grant agreement conditions, the City may begin to incur costs for the
26 program. Five households have already been pre-screened for a rehabilitation loan, and
27 the City is accepting names of additional interested homeowners for a waiting list.

28 One grant agreement condition is for the City Council to approve a Program Income
29 Reuse Agreement. Program Income will be generated by homeowners paying off the
30 no-interest, deferred loans provided by the City. The City is allowed to retain Program
31 Income and deposit it in an interest-bearing account for additional rehabilitation loans to
32 qualified low-income households.

33 A public hearing is required to allow for citizen comments about the Agreement prior to
34 its adoption by the Council.

35 **FISCAL IMPACTS:** Proceeds from the grant will be deposited in account 44-3225, the
36 CDBG Revolving Loan Fund. The grant includes \$41,860 to cover general
37 administration costs initially incurred by the City and its program partner, the City of
38 Napa Housing Authority. A portion of the Program Income will be used to pay for future
39 administration costs.

ATTACHMENT

1. Draft resolution