

City of Calistoga

Staff Report

TO Honorable Mayor and City Council
FROM Lynn Goldberg, Planning and Building Director
DATE July 19, 2016
SUBJECT 2016 Community Development Block Grant Application

APPROVAL FOR FORWARDING:



Dylan Feik, City Manager

1 **ISSUE:** Consideration of authorizing submittal of an application to the California State
2 Department of Housing and Community Development for 2016 Community Development
3 Block Grant funding

4 **RECOMMENDATIONS:**

- 5 1. Receive staff report
- 6 2. Hold a public hearing to review the project list proposed for the 2016 Community
7 Development Block Grant application and request public comment
- 8 3. Adopt the attached resolution authorizing the City Manager to submit an
9 application for CDBG grant funding and execute a grant agreement between the
10 City and the California Department of Housing and Community Development

11 **BACKGROUND:** In 1974, the federal government enacted the Community
12 Development Block Grant (CDBG) Program to promote the development of viable
13 communities by providing decent housing and a suitable living environment, and
14 expanding economic opportunities, principally for persons of low- and moderate-
15 income.

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

20 Every CDBG-funded activity must meet one of the following national objectives of the
21 program by:

- 22 • Benefiting low- and moderate-income (LMI) persons,
- 23 • Preventing or eliminating blight, or
- 24 • Meeting other community development needs having a particular urgency
25 because existing conditions pose a serious and immediate threat to the health
26 or welfare of the community, and other financial resources are not available to
27 meet such needs.

28 The CDBG program defines the term "low- and moderate income persons" as families
29 and individuals whose incomes are no more than 80 percent of the median income of
30 the area involved.

31 HUD presumes the following to be principally LMI persons:

- Abused children
- Battered spouses
- Severely-disabled adults
- Persons living with AIDS
- Elderly persons
- Homeless persons
- Illiterate adults
- Migrant farm workers

32 Funds can be used for the following general activities:

- 33 • Property acquisition for multi-family housing
- 34 • Homeownership assistance
- 35 • Housing rehabilitation
- 36 • Public improvements
- 37 • Public facilities
- 38 • Public services
- 39 • Planning and technical assistance
- 40 • Business financial assistance
- 41 • Microenterprise assistance

42 An application may include activities in three different program categories, including
43 activities that benefit other entities (such as non-profits). The maximum total award limit
44 is \$2 million.

45 The City has successfully applied for CDBG funding in the past. Recent awards include
46 funding for the mobile home park study in 2012 and the community pool in 2005. It does
47 not currently have CDBG program income on hand nor is it anticipated.

48 On June 21, 2016, the Council held a public hearing to review potential activities and
49 solicit input from the public regarding these or other activities. The Council expressed
50 support for submitting a CDBG application that includes the activities detailed
51 below. Although notice of the hearing was published in a local newspaper and on the
52 City's web site, no residents provided input.

53 **DISCUSSION:** The proposed CDBG application includes the following activities and
 54 funding amounts that total \$1,198,890. Details of each proposal are attached and
 55 summarized below.

| Activity | Category | National Objective | Admini- strator | Requested Funding ¹ |
|---|------------------------|---|-------------------------|-----------------------------------|
| 1. Construction of multi-use path and bocce courts at Logvy Park | Public Improvements | Provision of recreation services for LMI persons | City of Calistoga | \$328,890 |
| 2. Residential rehabilitation of single-family dwellings | Housing Rehabilitation | Prevention of blight | Housing Authority | \$600,000 |
| 3. a. Case management for battered and abused spouses b. Case management for seniors c. Subsistence payments for emergency assistance | Public Services | Provision of services to special needs populations, including seniors, the potentially homeless, and battered spouses | UpValley Family Centers | \$270,000 |

56 ¹ Includes general administrative costs of 7.5% of activity total cost

- 57 1. Logvy Park path and bocce courts: This activity would construct a 10-foot wide
 58 multi-use path around the southeastern part of Logvy Park and bocce courts, both
 59 of which are called for in the Logvy Park Master Plan. It is estimated that this
 60 project would be completed by June 2017. This City would oversee the
 61 construction of this project.
- 62 2. Residential rehabilitation: This activity would continue the owner-occupied
 63 residential rehabilitation program that is currently funded by the HOME program
 64 and jointly administered with the City of Napa Housing Authority. The HOME funds
 65 are nearly exhausted and have assisted 23 very low-income households with
 66 health and safety improvements through no-interest, deferred loans. There is
 67 currently a waiting list for the program and widespread interest, particularly by
 68 residents of the community's mobile home parks. The proposed Residential
 69 Rehabilitation Program Guidelines are attached to the approving resolution and are
 70 similar to those adopted for the HOME program. It is likely that the funds would be
 71 expended within one year of being awarded.
- 72 3. UpValley Family Centers: UpValley Family Centers is requesting the inclusion of
 73 three public service activities in the CDBG application that would be provided for
 74 three years:
- 75 a. Battered and Abused Spouses: UpValley Family Centers currently provide
 76 immediate crisis intervention to battered and abused spouses, ensuring an
 77 immediate response so that the victim is safe. The proposed new services

- 78 would provide longer-term case management to victims of domestic violence
79 that will support the victims with court system navigation, assistance in locating
80 employment or job training, individualized consultations to develop parenting
81 skills, and help in meeting other basic needs.
- 82 b. Senior Services: UpValley Family Centers currently provides case management
83 services for 20 seniors/month and serve approximately 200 low-income seniors
84 annually. The requested funding would serve 10 additional low-income
85 Calistoga senior households per month with case management services,
86 expanding their capacity to reach seniors by 50%.
- 87 c. Subsistence Payments: UpValley Family Centers provide limited emergency
88 assistance funds through donations to prevent financial hardship from leading
89 to deeper crisis, such as homelessness. The requested funding would increase
90 this service so that they can provide up to 25 low-income households annually
91 with subsistence payments that enable them to pay utility or rent bills when
92 faced with financial hardship.

93 **CONSISTENCY WITH COUNCIL GOALS AND OBJECTIVES:** The proposed activities
94 would help fulfill Goal 6 of the City Council's goals and objectives for Fiscal Year 2015-
95 16, by expanding and improving the community's recreational facilities. They would also
96 support Goal 7, Objective 1, by maintaining the community's housing stock in good
97 condition, and Objective 2, by protecting special needs housing.

98 **FISCAL IMPACT:** The City anticipates \$7,000 in supplemental funding from the Rotary
99 Club of Calistoga for the Logvy Park bocce courts, which is reflected in the requested
100 funding amount. Staff time will be required to file the required quarterly and annual
101 reports, and process reimbursement requests. However, all awarded activities allow the
102 expenditure of up to 7.5 percent of funds for reasonable administrative expenses.

103 **ENVIRONMENTAL REVIEW:** A Mitigated Declaration of Environmental Impact was
104 adopted for the Logvy Park Master Plan; therefore, no further environmental review is
105 required by the California Environmental Quality Act (CEQA) for the Logvy Park
106 improvements. Housing rehabilitation is categorically exempt from CEQA review.
107 Providing public services is not considered a project by CEQA and is therefore not
108 subject to environmental review.

ATTACHMENTS

1. Resolution authorizing an application for funding, execution of a grant agreement and adoption of Residential Rehabilitation Program Guidelines
2. 2016 CDBG Application