

CITY OF YUBA CITY
STAFF REPORT

Date: May 21, 2019
To: Honorable Mayor & Members of the City Council
From: Development Services Department
Presentation By: Darin Gale, Interim Development Services Director

Summary:

Subject: Consideration of the 2019-2020 Community Development Block Grant (CDBG) funding to applicants.

Recommendation: Provide staff with direction regarding proposed Program Year Funding for 2019-2020

Fiscal Impact: \$647,714 2019-2020 CDBG Allocation

Purpose:

To discuss the City's Community Development Block Grant Funding and staff recommendations for 2019-20 program funding.

Background:

The City of Yuba City is an entitlement jurisdiction receiving a federal formula grant from the U.S. Department of Housing and Urban Development (HUD). For program year 2019-2020, City of Yuba City will receive \$647,714.

Eligible Activities:

Per HUD guidelines, CDBG funded activities must benefit at least 70 percent of low-income persons, and must also address one of three national objectives:

1. Low income benefit
2. Slums or blight
3. A particularly urgent community development need

While local agencies have discretion on how funds are allocated, activities must generally include:

- Housing activities
- Real property improvements (acquisition, disposition, clearance, rehabilitation)
- Public facilities and public improvements
- Economic development
- Public services (limited to a maximum of 15 percent of annual CDBG funding)
- Planning activities

- Program administration (limited to a maximum of 20 percent of annual CDBG funding)

Analysis:

2019-2020 CDBG Allocation Process

HUD published the FY 19/20 allocations and Yuba City has been awarded \$647,714 for CDBG. According to CDBG regulations, up to 20 percent (\$129,543) of the allocation may be utilized for administration costs; an amount not to exceed 15 percent (\$97,157) may be allocated to public service activities; and the remaining 65% (\$421,015) is to be allocated to projects.

Receipt of this grant requires compliance with federal requirements for citizen participation. To fulfill the citizen participation requirements, a noticed public meeting was held on February 6, 2019 to receive comments regarding community needs, as well as to provide the public with an overview of the CDBG application review and scoring process. The City received five applications totaling \$682,500 by the March 13, 2019 submittal deadline.

On March 18, 2019 a review committee met and reviewed all applications. Applications for funding are evaluated based on several factors, including the priority, need identified in the Consolidated Plan, the capacity of the applicant to administer the grant funds, readiness, and if applicable, timeliness of expenditures of past CDBG grants. A list of the applicants and their proposed projects are attached (Attachment 1 and Attachment 2).

Recommended Funding:

The attachments depict two proposed activities and funding levels for the 2019-2020 CDBG allocation. All proposed activities are intended to address the community development and public service needs of low- and moderate-income persons in the City and all proposed activities meet a national objective identified by HUD. Additionally, all proposed activities are required to be consistent with the City's priorities identified in the 2015-2019 five-year Consolidated Plan. The City's Consolidated Plan emphasizes programs aimed at homelessness prevention, neighborhood building, and accessibility improvement.

Attachment 1 – Is similar to what was presented to the City Council on April 16, 2019 but is based upon the actual CDBG allocation for Program Year 2019/2020. This proposal was recommended by the review committee.

Attachment 2 – Does not fund the Regional Housing Authority Kingwood Common Roofing Project for \$60,000 and reallocates those funds to ADA Sidewalk Projects and to the Sam Brannan Park Playground Replacement Project.

(At the last Council meeting a question was asked if the City's Low-Mod Housing Fund could be used to fund the Regional Housing Authority Kingwood Common Project. Unfortunately the Low-Mod funds cannot be used for the rehabilitation of existing deed restricted affordable housing projects.)

Although the City did not receive an application for the proposed homeless shelter proposed by the County on Live Oak Blvd, staff is recommending allocating half of the public service funding (\$48,579.00) for operational costs for the homeless shelter. The remainder \$48,578.00 will be allocated to Sutter-Yuba Homeless Consortium. If the homeless shelter does not open during this

funding cycle, the funds will revert back to the Yuba Sutter Continuum of Care. This contingency would be stated in the signed executed agreement between City of Yuba City and Sutter-Yuba Homeless Consortium.

Once City Council provides direction to the proposed allocations, staff will finalize the required draft 2019-2020 Annual Action Plan. Once the Annual Action Plan is finalized the document will be posted for a 30-day public comment period. During this review period, citizens are encouraged to provide feedback on the recommendations for funding within the 2019-2020 Annual Action Plan. At the end of the 30 day comment period the Action Plan will be presented to the City Council for consideration during a public hearing.

Fiscal Impact:

- \$647,714 from the 2019-2020 CDBG Allocation

Alternatives:

Do not agree with current allocation recommendation and advise Staff on how to move forward prior to finalizing the Annual Action Plan.

Recommendation:

Provide staff with direction regarding proposed Program Year Funding for 2019-2020

Attachments:

1. 2019 CDBG Funding Recommendations Option 1
2. 2019 Draft CDBG Funding Recommendations Option 2

Prepared By:

Submitted By:

/s/ Darin Gale

Darin Gale
Interim Development Services Director

/s/ Diana Langley

Diana Langley
Interim City Manager

Reviewed By:

Finance
City Attorney

RB
SLC by email

ATTACHMENT 1

2019 CDBG ALLOCATION \$ 647,714.00

ADMINISTRATION AND PLANNING		Funded Amount	Admin Cap
			20%
City Staff	Administration Costs	\$ 129,543	
TOTAL		\$ 129,543	\$ 129,543.00

PUBLIC SERVICES			Public Services Cap
AGENCY	PROGRAM/SERVICE	AMOUNT REQUESTED	FUNDED AMOUNT
			15%
Sutter-Yuba Homeless Consortium	Homeless Services Consolidation	\$ 97,500.00	\$ 97,157.00
	(CoC Admin/Coordinator - \$23K, Central Valley Homeless Veterans- \$7K, Salvation Army - \$49K, Hands of Hope - \$10K and Bridges to Housing - \$9K)		
TOTAL		\$ 97,500.00	\$ 97,157.00

*Contingency in agreement that SYHC will receive all money, but 50% will be allocated for new homeless shelter. Will decide by Dec 31 if they can allocate elsewhere

HOUSING PROGRAMS/PROJECTS			
	PROGRAM/PROJECT	AMOUNT REQUESTED	FUNDED AMOUNT
FREED Center for Independent Living	Home Repair/Modification Program for Disabled	\$ 15,000.00	\$ 15,000.00
City of Yuba City	Owner-Occupied Housing Rehabilitation Program	\$ 50,000.00	\$ 46,014.00
Regional Housing Authority	Kingswood Commons Roofing Project, Building A	\$ 70,000.00	\$ 60,000.00
TOTAL		\$ 135,000.00	\$ 121,014.00

PUBLIC FACILITY & IMPROVEMENTS			
AGENCY	PROGRAM/PROJECT	AMOUNT REQUESTED	Funded Amount
City of Yuba City - Public Works	ADA Sidewalk and Public Facility Improvements	\$ 210,000.00	\$ 200,000.00
City of Yuba City - Parks Department	Sam Brannan Park - Playground Replacement	\$ 160,000.00	\$ 100,000.00
TOTAL		\$ 370,000.00	\$ 300,000.00

TOTAL \$ 647,714.00

TOTAL FUNDING REQUESTS	\$ 732,043.00
AMOUNT IN EXCESS OF 2019 ALLOCATION	\$ 84,329.00

\$ -

ATTACHMENT 2

2019 CDBG ALLOCATION \$ 647,714.00

ADMINISTRATION AND PLANNING		Funded Amount	Admin Cap
			20%
City Staff	Administration Costs	\$ 129,543	
TOTAL		\$ 129,543	\$ 129,543

PUBLIC SERVICES			Public Services Cap
AGENCY	PROGRAM/SERVICE	AMOUNT REQUESTED	FUNDED AMOUNT
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Regional Housing Authority	Kingswood Commons Roofing Project, Building A	\$ 70,000.00	\$ -
TOTAL		\$ 135,000.00	\$ 61,014.00

PUBLIC FACILITY & IMPROVEMENTS			
AGENCY	PROGRAM/PROJECT	AMOUNT REQUESTED	Funded Amount
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TOTAL		\$ 370,000.00	\$ 360,000.00

TOTAL \$ 647,714.00

TOTAL FUNDING REQUESTS	\$ 732,043.00
AMOUNT IN EXCESS OF 2019 ALLOCATION	\$ 84,329.00