



Agenda Item C.1
PUBLIC HEARING
Meeting Date: March 17, 2009

TO: Mayor and Councilmembers

FROM: Dan Singer, City Manager

CONTACT: Vyto Adomaitis, Redevelopment, Neighborhood Services & Public Safety Director
Claudia Sigona, Management Analyst

SUBJECT: Funding Recommendations for the City's Community Development Block Grant (CDBG) Program

RECOMMENDATION:

- A. Consider the CDBG Subcommittee's recommendations for funding allocations changes for 2008-2009 and new funding allocations for 2009-2010;
- B. Conduct a public hearing to receive public input on the funding recommendations;
- C. Approve or modify the funding recommendations of the CDBG Subcommittee; and
- D. Direct staff to prepare an amendment to the 2008-2009 Action Plan and the Draft 2009-2010 Action Plan incorporating the recommended funding allocations.

BACKGROUND:

The City of Goleta receives an annual allocation of Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD). The primary objective of the CDBG program is the development of viable communities, decent and affordable housing, and expansion of economic development opportunities for persons of low and moderate income.

As part of the strategic planning process for the CDBG program, the City of Goleta developed the 2004-2009 CDBG Consolidated Plan, a five year planning document. This Plan establishes the needs and priorities of the City with regard to affordable housing and community development activities. As part of the Consolidated Planning process, each year the City must develop an Action Plan that outlines how funds will be used in the upcoming program year. The use of these funds must be consistent with the goals and objectives outlined in the City's CDBG Consolidated Plan.

On February 17, 2009, the City held its first public hearing regarding needs and priorities for the 2009-2010 CDBG Program Year, and received a report of those social service providers which submitted letters of intent to apply for funding. At that meeting, staff informed Council that the application period would be closing on February 20, 2009, and

that the CDBG Subcommittee would be meeting with City staff to review applications and formulate recommendations on funding and program activities. The CDBG Subcommittee is comprised of Mayor Aceves and Councilmember Connell.

City staff and the CDBG Subcommittee met on March 4, 2009, to review funding applications for social services and potential City-sponsored projects for the 2009-2010 CDBG program year. In addition, the Subcommittee discussed changes to the 2008-2009 Action Plan based on an additional award of \$72,244 being allocated to the City's CDBG program as a result of the passage of the American Recovery and Reinvestment Act of 2009 by the U.S. Congress.

Staff is now returning to the City Council to present the Subcommittee's recommendations and receive public input on potential funding allocations. Staff is requesting that the Council provide final direction to staff regarding the funding allocation additions and changes to be made to the current 2008-2009 Action Plan and the funding allocations to be included in the Draft 2009-2010 Action Plan.

DISCUSSION:

CDBG funds must be used to directly assist low and moderate income residents, such as through social service programs, housing or commercial rehabilitation, and capital improvements in areas of the City where there is a high concentration of low and/or moderate income households.

At the conclusion of this public hearing, staff requests that the City Council provide direction to address the following items related to CDBG funding:

- How the City will allocate an additional \$72,244 in funding for the 2008-2009 program year that the City will receive as a result of the passage of the American Recovery and Reinvestment Act of 2009 by the U.S. Congress; and
- How the City will allocate an estimated \$260,000 expected from HUD for the 2009-2010 program year.

These items are addressed in further detail in the following sections.

American Recovery and Reinvestment Act of 2009 (ARRA)

On February 17, 2009, President Barack Obama signed into law the American Recovery and Reinvestment Act (ARRA) of 2009. The ARRA included an additional \$1 billion in funding for the CDBG program which, based on HUD's formula, has translated into an additional \$72,244 in CDBG grant funds for the City of Goleta. These funds are to be "tracked" separately and are referred to as CDBG-R (recovery) funds.

Although HUD is still working out the details of how the ARRA funding will be implemented, HUD has given some initial guidance. HUD has indicated that the CDBG-R funds should be used by the end of this federal fiscal year (September 30, 2009) and that the allocation of these funds should be set forth in an amendment to the City's 2008-2009

Action Plan. Given the impetus to put these funds to work in the economy, HUD has also advised that grantees should be ready to move quickly. Grantees might have as little as four weeks to submit their amended Action Plan.

Based on the normal CDBG formula that 15% of funds may be used on social services, the CDBG Subcommittee has recommended that \$10,836 be allocated to social service providers as follows:

- \$4,000 to Foodbank - "Feed the Future" program;
- \$3,836 to Transition House – Services for homeless families; and
- \$3,000 to Child Abuse Listening and Mediation (CALM) – Services for abused and neglected children.

Two of the providers, Foodbank and Transition House, were applicants for the 2008-2009 program year, but were not awarded an allocation due to insufficient CDBG funds. Another provider, Child Abuse Listening and Mediation (CALM), was funded, but only at 12.5% of their requested amount.

The Subcommittee recommended that the remaining \$61,408 be allocated as follows:

- 10% or \$7,224 to Administration;
- \$3,000 to Family Service Agency's Seniors Aimed at Independent Living program;
- \$10,000 to San Jose Creek Flood Control Project; and
- \$41,184 to the City's Storefront Façade Improvement Program.

In addition to the above allocations which will be reflected in an amended 2008-2009 CDBG Action Plan, the Community Services Director has requested that the \$30,000 currently designated for Armitos Park be shifted to the San Jose Creek Flood Control Project. The City was able to complete all improvements for Armitos Park with Prop 40 State funding, and therefore, the CDBG funds are not needed for this project.

For Council's reference, all proposed funding/activity changes to the 2008-2009 CDBG Action Plan are reflected in Attachment 1.

Funding Allocations for the 2009-2010 Action Plan

Although the City has not yet received final word from HUD on the 2009 grant award, given the aggressive time frame for completing the CDBG process, staff and the Subcommittee moved forward based on an estimate of \$260,000. This represents a slight reduction from the current year's award. Once notification of the 2009 allocation from HUD is received, the Subcommittee will meet prior to completion of the Draft Action Plan to make any minor adjustments that might be necessary. The Council will then have the opportunity to review those changes in the Draft Action Plan, and make any desired adjustments prior to adoption of the Final Action Plan.

Under the CDBG program, 15% of the annual allocation, or \$39,000, may be used to fund social services and 20% of the annual allocation, or \$52,000, can be used for administrative expenses, leaving \$169,000 for other projects. Funds that are not allocated

to social services and administration are typically dedicated to capital improvement projects, housing rehabilitation and economic development, including commercial rehabilitation.

Social Service Funding

The City received applications from 15 social service providers. Their requests totaled over \$150,000 in CDBG funding for the upcoming program year, nearly four times the amount of funding available.

The 2004-2009 Consolidated Plan identified the need for more services for seniors, youth and the homeless as a priority. The Subcommittee echoed the importance of allocating funds to these categories. Based on the recommendations of the CDBG Subcommittee, staff has prepared the below table summarizing social service funding recommendations along with the requested funding amount and prior year grants, where applicable. Given the limited funding available, none of the social service applicants are recommended to receive full funding for their proposals, and several applicants are not recommended to receive any funding.

Proposed Social Services Funding for 2009-2010

PROJECT	2007-2008 FUNDING	2008-2009 FUNDING	2009-2010 Recommended FUNDING	NO. OF RESIDENTS TO BE ASSISTED
General Public Services: SB NEIGHBORHOOD CLINICS	---	---	\$5,000	2,740
Homeless Services: SARAH HOUSE	\$3,000	\$3,000	\$4,000	27
NEW BEGINNINGS	\$2,031	---	\$3,000	55
TRANSITION HOUSE	\$2,000	---	\$4,000	60
Senior Services: COMMUNITY ACTION COMMISSION – Senior Nutrition	\$18,000	\$8,000	\$9,000	450
Youth Programs: SANTA BARBARA POLICE ACTIVITIES LEAGUE	---	\$7,000	\$7,000	70
UNITED BOYS & GIRLS CLUBS	\$3,000	\$7,000	\$7,000	180
Total:			\$39,000	3,582

Attachment 2 provides a detailed description of all programs recommended for funding.

Applicants not recommended for funding include: Court Appointed Special Advocates, Girls Incorporated, Council on Alcoholism and Drug Abuse, United Way, Santa Barbara Rape Crisis Center, Child Abuse Listening and Mediation and Peoples Self-Help Housing. In addition, it was determined that the Family Service Agency's application for its 2-1-1 Helpline Program was not qualified for CDBG funding because they do not collect data regarding income levels of those requesting information.

Once again, should the actual grant award be greater than estimated, the Subcommittee will re-examine applicants not currently recommended for funding. Any additional allocations will be subject to Council approval prior to adoption of the final Action Plan.

CDBG Program Administration Funding

HUD allows up to 20% of the CDBG grant to be used for planning and administration. Staff is therefore requesting \$52,000 in CDBG funds for 2009-2010 to support program administration and planning. As a Federal program, there are numerous requirements associated with the CDBG program, and projects require significant staff administration time. This year is particularly demanding of staff time given the requirement to prepare an updated 5-year Consolidated Plan and Impediments to Fair Housing Analysis. Based on the concurrence of the CDBG Subcommittee, staff is proposing the below level of funding. Any funding not used for administration expenses can be reprogrammed in future cycles.

Administration Funding

Project	2007-2008 Funding	2008-2009 Funding	2009-2010 Recommended Funding
Administration of the CDBG Program	\$45,000	\$53,000	\$52,000

Minor Rehabilitation Funding

Over the past three years, the Family Service Agency (FSA) has received \$30,000 annually in CDBG funding for its SAIL (Services Aimed at Independent Living) Program. The SAIL program helps low income seniors remain at home for as long as safely possible by offering home maintenance, repair and home modifications (installation of handicapped ramps, grab bars and railings) for at-risk elderly. The FSA has requested \$27,000 for the 2009-2010 program year. If awarded, funds will be used to provide assessments to 35 Goleta seniors and to provide services to at least 30 households occupied by seniors. It should be noted that funding for this program comes out of the Homeowner Rehabilitation category of the CDBG allocation and not the Public/Social Services allowance. Based on input provided from the City Council CDBG Subcommittee, staff has prepared the following proposed funding recommendation:

Homeowner Rehabilitation Funding

Project	2007-2008 Funding	2008-2009 Funding	2009-2010 Recommended Funding
Family Service Agency – SAIL	\$30,000	\$27,000 plus \$3,000 in stimulus funding (pending)	\$27,000

Public Facilities and Improvements Funding

Since 2004, the City has dedicated nearly \$500,000 in CDBG funds for the development of the San Jose Creek Flood Control Project, a top priority in the City’s Capital Improvement Program to relieve flooding in the Old Town area. The Community Services Department is requesting that the balance of CDBG funds (\$142,000) be allocated to the San Jose Creek Flood Control Project to help cover additional project development costs. The CDBG Subcommittee recommends this allocation.

Capital Improvements Funding

Project	2007-2008 Funding	2008-2009 Funding	2009-2010 Recommended Funding
San Jose Creek Capacity Project	\$160,343	\$91,085 plus \$40,000 in stimulus funding (pending)	\$142,000
Total:			\$142,000

Summary of Proposed CDBG 2009-2010 Funding Recommendations

The below table provides a summary of total funding allocations recommended for the 2009-2010 CDBG program year, listed by the eligible CDBG category:

Estimated 2009-2010 CDBG Allocation:	\$260,000
Public Services (15%):	\$ 39,000
CDBG Program Administration (20%)	\$ 52,000
Housing Rehabilitation	\$ 27,000
Capital Improvements	\$142,000
Total:	\$260,000

CONCLUSION:

The funding allocations recommended in this report are consistent with the following goals of the 2004-2009 Consolidated Plan:

1. Preserve and Upgrade Existing Affordable Housing Stock;
2. Provide for Public Facilities and Infrastructure Improvements;
3. Provide for Neighborhood Preservation;
4. Enhance Social Services to Special Needs Populations; and
5. Continue and Expand Economic Revitalization Activities.

Pending Council approval of the recommended funding additions and changes for the 2008-2009 Action Plan, staff will prepare an amended Plan which will be released for a public review period prior to final adoption by Council. It is anticipated that HUD will be mandating a shortened review period for the amended 2008-2009 Action Plan based on the Federal Government’s desire to see these funds “put to work” as soon as possible.

Also, subsequent to Council's action on the CDBG Subcommittee's recommended allocations for the 2009-2010 CDBG Program Year, staff will prepare a Draft Annual Action Plan for 2009-2010 as a component of the updated 5-year Consolidated Plan. This document will be subject to the standard 30-day public review period. Staff anticipates returning to the City Council on April 21, 2009, for a third public hearing (prior to the close of the review period) to receive any comments from the public and Council on the Draft 2009-2014 Consolidated Plan and incorporated 2009-2010 Action Plan. As appropriate, public comments on the Draft Plans will be incorporated into the Final Plans, as will any additional input from Council. The City Council will then have the opportunity to approve the document at a fourth and final public hearing, projected for late May. The Council-adopted Plans will then be forwarded to HUD for review and approval.

FISCAL IMPACTS:

Approximately, \$53,000 was allocated for program administration and planning of the CDBG program during the 2008-2009 program year. Staff and the CDBG Subcommittee are recommending that another \$7,224 in CDBG stimulus funds be allocated to planning and administration of the program. Since the administration charges are part of the CDBG program, there is no impact on the City's General Fund. Approximately, 40 hours were used in the evaluation of applications, the meeting with Subcommittee members, and preparation of this Agenda Report.

Submitted By:

Reviewed by:

Approved By:

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Director

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Director

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ATTACHMENTS:

1. Proposed Funding Allocation/Project Amendments to the 2008-2009 Action Plan
2. Project Descriptions – Projects Recommended for 2009-2010 Funding

ATTACHMENT 1

**Proposed Funding Allocation/Project Amendments to the 2008-2009
Action Plan**

A summary table of the allocation of CDBG 2008-2009 Funds is as follows:

<u>CDBG Program</u>	<u>2008-2009 Funding</u>
DESIGN OF SAN JOSE CREEK FLOOD CONTROL PROJECT (Infrastructure)	\$91,085 <u>\$121,085</u>
ARMITOS PARK (Infrastructure)	\$30,000
NECTARINE PARK (Infrastructure)	\$25,000
FAMILY SERVICE AGENCY SAIL PROGRAM (rehab)	\$27,000
AIDS HOUSING SANTA BARBARA (social services)	\$3,000
Child Abuse Listening & Mediation CALM (social services)	\$5,000
COMMUNITY ACTION COMMISSION (social service)	\$8,000
GIRLS INC (social service)	\$6,895
PEOPLE'S SELF-HELP HOUSING (social services)	\$3,000
Santa Barbara Police Activities Leagues PALS (social services)	\$7,000
UNITED BOYS AND GIRLS CLUB (social service)	\$7,000
PLANNING AND ADMINISTRATION (planning and admin)	\$52,986
TOTAL 2008-2009 BASE CDBG AWARD:	\$265,966

SUPPLEMENTAL CDBG GRANT AWARD FROM AMERICAN FEDERAL RECOVERY AND RECONSTRUCTION ACT OF 2009 (CDBG-R AWARD):

<u>Design of San Jose Creek Flood Control Project (public facilities)</u>	<u>\$10,000</u>
<u>Family Service Agency's SAIL Program (housing rehab)</u>	<u>\$3,000</u>
<u>Child Abuse Listening & Mediation CALM (social services)</u>	<u>\$3,000</u>
<u>Foodbank (social services)</u>	<u>\$4,000</u>
<u>Transition House (social services)</u>	<u>\$3,836</u>
<u>City of Goleta Storefront Improvement Program (economic development)</u>	<u>\$41,184</u>
<u>Planning and Administration</u>	<u>\$7,224</u>
<u>TOTAL CDBG-R AWARD:</u>	<u>\$72,244</u>

Attachment 2

Project Descriptions Projects Recommended for 2009-2010 CDBG Funding (descriptions are excerpts from applications)

SANTA BARBARA NEIGHBORHOOD CLINICS

Santa Barbara Neighborhood Clinics (SBNC) provide medical care, dental care and health education to low-income, homeless, uninsured and underserved adults and children in Santa Barbara County. The Isla Vista Neighborhood Clinic (IVNC) provides free and sliding-scale medical services and health education to low-income seniors, adults, children and the homeless. IVNC serves ALL people who walk through our doors regardless of their eligibility for healthcare coverage or ability to pay for services. IVNC's medical services include Child Health and Disability Prevention exams, well-baby care, pediatric care, teen check-ups and health education, regular check-ups and exams, immunizations, adult sick and well exams, geriatric care, podiatry, and family planning. IVNC assists all patients with healthcare coverage application assistance. IVNC's Objectives are: (1) Provide primary and preventative medical care to low-income adults, children and the homeless; (2) Increase health care coverage for low-income adults and children through application assistance for state and federal funded healthcare plans such as MediCal and Healthy Families; (3) Educate low-income families regarding important health issues and preventive measures; and (4) Link families and individuals with a larger network of community assistance programs and organizations. IVNC patients are typically the working poor with little or no medical benefits. Over 97% of IVNC patients report incomes 50% or below the Median Family Income level. In FY 2008, 2,740 Isla Vista Neighborhood Clinic patients were residents of Goleta.

SARAH HOUSE

Sarah House provides compassionate, cost effective, end-of-life care to any low-income or homeless individual in Santa Barbara and surrounding areas. Sarah House provides a homelike environment accompanied by a multitude of holistic services and compassionate caregivers. Sarah House staff works to accommodate the physical, spiritual, psychological and social needs of our residents. Staff provides housing and end-of-life care 24 hours a day, 365 days a year for the low income and homeless in the South Coast Area, including Goleta. Due to a shift in Medicare, Sarah House is also now permitted to offer "respite care" which creates a rest period of five days for a primary caregiver in private situations. Sarah House cares for the patient so the caregiver can have a break. Sarah House residents are provided with their own bedroom, nutritious meals, laundry support, transportation to and from medical appointments, care by Certified Nursing Assistants(CNAs) 24 hours a day, help with accessing counseling and social services, and assistance with adhering to individual medication regimes. Many of the residents might otherwise die without appropriate shelter, food or care, and for the homeless especially, it is often the first time that they have experienced a home and this kind of care.

UNITED BOYS AND GIRLS CLUBS

At least 180 teenage residents of Goleta will benefit from Teen Programs at the Goleta Boys & Girls Club, located behind the Goleta Community Center in Goleta's Old Town. Goleta teens, ages 12-18, who join the Boys & Girls Club, gain access to the Club's Teen Room, Computer Lab, Games Room, Gym, and are encouraged to participate in health and life skills programs. Other Boys & Girls Club life-skills programs expressly for teens include Money Matters and Career Launch to build financial literacy and assist with job searches and create initial resumes. Selected evenings, via Extended Hours, we offer teen "Night Court" to 10:00pm, with "pick-up" games, activities and dances held in the gym. These evening events are "teen only". Through participation in Boys & Girls Club activities such as computer education, academic tutoring, sports, leadership clubs, the Arts, and enriching fieldtrips, youth gain positive peers, valuable skills and adult mentors. The Boys & Girls Club's teen programs will offer positive recreational activities during the hours when youth are most at risk of violent or criminal behavior: 2:00 p.m. to 7:00 p.m. weekdays and 3:00 p.m. to 10:00 p.m. on Fridays.

NEW BEGINNINGS

The New Beginnings Homeless Outreach Program for Goleta contains three of the five elements of our homeless work. The first involves case management services for those in vehicles and living on the streets. We have one full-time and one part-time outreach worker who provide job counseling and housing placement to people living on the streets or in vehicles. Secondly, we offer our RV Safe Parking Project. Currently, 83 individuals residing in RV's/cars are enrolled in this aspect of our program. We have 16 sites; one of which is within the city limits of Goleta and three in the immediate area. Lastly, the program staff provide low income loans to those individuals who are ready and able to move their lives forward. Loans range from \$100 to \$750 and are used for such things as vehicle repair, medical equipment, and educational advancement. In previous years funding from the city of Goleta has been utilized to coordinate efforts with the police and local businesses so neighborhood concerns and complaints can be remedied and people can be placed in safe parking situations. Program staff make frequent visits to each Safe Parking site, make a connection with each person and provide case management services wherever possible with the goal of helping them find housing and/or a job.

TRANSITION HOUSE

Since 1984, Transition House has worked to create practical and long-lasting solutions to the cycle of poverty-based family homelessness. Transition House accomplishes this goal by empowering homeless families with children and families who are at-risk for homelessness with the tools for self-sufficiency, helping parents to find work, save money, develop life skills, and secure permanent housing. Transition House is the only homelessness organization in Santa Barbara that exclusively serves families with children, and it serves over 600 people annually in all its programs. The three-stage program includes the emergency shelter with 70 beds, a transitional housing facility with room for six families, and 26 affordable housing units owned by Transition House. In addition to shelter, clients receive three meals a day, hot showers, basic toiletries, clothing, career counseling, help with parenting skills, referrals to appropriate social services agencies, and childcare. Parents work with case managers to set goals and begin a path to securing employment or education to increase their earning potential. Families in the program craft money management plans and are required to save 80 percent of their expendable income in order to accumulate funds for housing and other household needs. The shelter program also offers free licensed infant care, homework help and tutoring, a children's literacy program, an evening arts enrichment program for kids, basic medical exams once a week by a nurse, legal assistance, and a clothing closet where parents can find outfits for job interviews.

SANTA BARBARA POLICE ACTIVITIES LEAGUE (SBPAL)

Since 1999, the Santa Barbara Police Activities League has offered quality activities for the youth of the community, with direction and focus on low-income and at risk youth. These activities become a strong foundation for a positive relationship between the youth, police department and community. SBPAL is a well established resource in our community and has offered over 60 different recreational programs since its inception, ranging from a Basketball League to Camping Excursions to a Martial Arts and Youth Leadership Program. SBPAL is requesting renewal funding for its Jr. High After-School Program which will take place at Goleta Valley Jr. High. SBPAL will provide uniforms, equipment, and transportation at no cost to participants, and will offer the following free of cost programming at Goleta Valley Jr. High: Flag Football, Club Soccer and Club Basketball. Teams will generally have two hour practices four times a week. Weekly games and scrimmages will be held against other Santa Barbara School District Junior High Schools. The end of the season will culminate with a school district wide tournaments. The main objective of the PAL Junior-High After-School Collaborative is to decrease the number of 7th and 8th graders engaging in criminal activity including truancy, gang affiliation and drug use.

COMMUNITY ACTION COMMISSION (CAC)

CAC's Senior Nutrition Program serves individuals age 60 and over regardless of income, as mandated by the Federal Older Americans Act. The primary objective of this program is to improve and/or maintain the health and wellness of senior citizens in Santa Barbara County. The longer an individual can stay living independently results in positive long term effects on their psyche and can help to reduce the need for assisted living facilities. To achieve this goal, the Senior Nutrition Program's objective is to serve seniors hot, nutritious, USDA-approved lunchtime meals at the Goleta Valley Community Center (GVCC), and deliver meals to frail, homebound seniors within the city who are unable to go out to shop for groceries or prepare their own meals. The program will serve at least 450 unduplicated Goleta seniors in 2009-10, at GVCC and through home-delivered Mobile Meals. Seniors receive meals at congregate dining sites, Monday through Friday at noon-time. Mobile Meals delivers meals to homebound seniors around noon and on Friday, weekend meals are supplied. Seniors at GVCC engage in social activities such as dancing, bingo and card games. In addition they receive other services such as flu vaccinations and blood pressure testing. Home delivery drivers are often a homebound senior's only daily human contact, and are trained to spot and report any concerns about a client's health to the program's Mobile Meals Coordinator. The coordinator follows-up by contacting the clients' family or In-Home Supportive Services, as is appropriate.