



DATE: December 14, 2011

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **CONSIDERATION OF A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM PLAN FOR 2012-2015**

SYNOPSIS

Staff recommends that the City Council review the proposed options for a 2012-2015 Community Development Block Grant (CDBG) Program Plan and provide direction to staff, and return to the Council in March 2012 for a public hearing on the 2012-2013 CDBG budget and allocation of funds.

BACKGROUND

The City of Oceanside has been a participating jurisdiction (PJ) in the Community Development Block Grant (CDBG) Program of the U.S. Department of Housing and Urban Development (HUD) since the program began in 1974. The primary objective of the CDBG Program is the development of viable urban communities, principally for low- and moderate-income persons, through decent housing, a suitable living environment and expanded economic opportunity. The City may allocate its CDBG funding to a range of eligible activities, including housing rehabilitation, capital improvement projects, public services, economic development, and other community development activities. The CDBG program has been an important source of funds for infrastructure and capital improvement projects, neighborhood revitalization in low-income areas, public services sponsored by the City and local nonprofit organizations, and other eligible activities such as code enforcement. CDBG funds have also been used to make payments on loans through the Section 108 Loan Guarantee Program used to construct the Libby Lake Community Center (\$1.5 million) and Fire Station 7 (\$3.5 million).

More detailed background information is available in the attached memoranda dated November 29, December 1 and December 2, 2011.

ANALYSIS

The appropriations bill to fund the Department of Housing and Urban Development (HUD) for the fiscal year that began October 1, 2011, reduces funding for the CDBG program by approximately ten percent as compared to the previous year. This reduction

plus other factors in the formula used by HUD to determine entitlement grants to participating jurisdictions means an estimated twelve to thirteen percent reduction in the City's grant for 2012-13 as compared to 2011-2012. The City estimates the FY 2012 entitlement grant to be approximately \$1,434,598 as compared to \$1,639,551 in FY 2011. This will result in approximately \$210,000 - \$225,000 for public services as compared to \$251,192 in FY 2011. At the same time the amount of funds in the Mortgage Revenue Bond Available Balance is dwindling as housing bonds are paid off; this reduces the City's ability to use these funds for programs that serve homeless individuals and families

The reduction in the CDBG entitlement grant will impact funding for program planning and administration, which includes grant management, housing program development, planning for neighborhood revitalization and fair housing activities. The City allocated \$425,000 for CDBG planning and administration in 2010-11 and \$335,000 in 2011-12; the estimate for 2012-13 is no more than \$290,000. Reduced funding will curtail the amount of staff time that can be used for grant management and oversight of CDBG-funded programs and activities. More than half of CDBG planning and administration funds are used for the City's fair housing program, neighborhood revitalization and housing program development including preparation of the Housing Element.

The expectation of continued cutbacks in funding of the CDBG program by Congress has caused the City to review various options for use of CDBG funds in the remaining three years of the current 2010-2015 Consolidated Plan for Housing and Community Development. While use of CDBG funds for public services is an option open to participating jurisdictions and not a requirement in HUD regulations, the City does not want to eliminate all public services funding. At the same time, it is clear that the City must determine how best to use limited CDBG funds. Staff proposes the following option for the CDBG Program for FYs 2012-13, 2013-14 and 2014-15:

1. The City proposes to not issue an open call for applications for CDBG public services funds during the three remaining years of the 2010-2015 Consolidated Plan.
2. The plan proposes that such CDBG public service funds that are available under the fifteen percent cap will be limited to activities that benefit the neediest and most at-risk populations in the City, including:
 - Programs for at-risk children and youth provided by the City Parks & Recreation Division at the Joe Balderrama and Melba Bishop Recreation Centers;
 - Programs for at-risk youth in neighborhood revitalization areas provided by Vista Community Clinic at the Libby Lake Community Center and North County Lifeline at the Crown Heights Resource Center;
 - Operation of the Crown Heights Resource Center in the very low-income Crown Heights neighborhood and the Chavez Resource Center in the low-income Eastside neighborhood;
 - Services for low- and very low-income seniors provided by the Oceanside Senior Citizens Association;

- The winter homeless shelter program sponsored by the Alliance for Regional Solutions including Bread of Life in Oceanside; and
- Emergency assistance for homeless and/or very low-income individuals and families provided by the Brother Benno Foundation and Interfaith Community Services.

Funding for these activities in 2011 included \$199,211 of CDBG funds plus \$33,223 of Mortgage Revenue Bond Available Balance. The estimated reduction in the CDBG entitlement grant for 2012 would be a maximum of \$225,000 for public services with no further funding from the Mortgage Revenue Bond Available Balance.

3. This plan proposes elimination of CDBG funding for four agencies and organizations that were funded for the current program year, including:
 - The Angel's Depot *Food for a Week* program for very low-income seniors;
 - Oceanside Boys and Girls Club *Gangbusters* Program and school-based afterschool programs in the Libby Lake, Calle Montecito and Mesa Margarita neighborhoods;
 - Ivey Ranch Park Association *Camp Ivey Summer Camp*; and
 - North County Health Services health screenings.

Funding for these activities in 2011 totaled \$51,981 of CDBG funds.

4. This plan proposes elimination of funding from the Mortgage Revenue Bond (MRB) available balance that has been used in 2010-2011 and 2011-2012 to support agencies that provide housing and supportive services for homeless persons, including:
 - Casa de Amparo (abused and neglected children);
 - Fraternity Housing (very low-income persons with AIDS);
 - Women's Resource Center (victims of domestic violence); and
 - YMCA Oz North Coast (homeless and runaway/throwaway youth).

Funding for these activities in 2011 totaled \$30,000 of MRB funds.

5. CDBG funds allocated in prior years for single-family housing rehabilitation loans to low-income households but not as yet used will remain available in FY 2012-13. The City funds the Mobile Home Improvement Program (grants) and rehabilitation program management and loan services with an annual allocation of CDBG funds. CDBG funds other than those set aside for public services (15% cap) and for administration and planning (20% cap) will be available to support Code Enforcement activities in low- and moderate-income neighborhoods, make payments against the Section 108 Loan Guarantee for Fire Station 7, and support such capital improvement projects as may come forward. No General Fund monies are used in the CDBG program.
6. Allocations for each year's funding for activities will depend upon Congressional appropriation and the entitlement grant awarded to the City. The City will present each year's CDBG budget and annual Action Plan to the City Council.

FISCAL IMPACT

City Council action on this matter is with regard to the CDBG Program Plan for the next three fiscal years and does not allocate funding. The City will return to the Council for allocation of funds based on Council action on this matter and after learning the City's entitlement grant for FY 2012-13. No General Fund monies are used in the CDBG program either for grants or for program management. CDBG funds may only supplement and may not supplant local funding.

COMMISSION OR COMMITTEE REPORT

The CDBG Program Plan for 2012-2015 and direction from the City Council will be presented to the Housing and Parks & Recreation Commissions at their meetings in January, 2012.

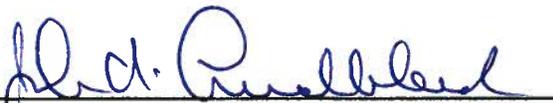
CITY ATTORNEY'S ANALYSIS

Does not apply.

RECOMMENDATION

Staff recommends that the City Council review the proposed options for the 2012-2015 Community Development Block Grant (CDBG) Program Plan and provide direction to staff, and return to the Council in March 2012 for a public hearing on the 2012-2013 CDBG budget and allocation of funds.
Provide direction to staff.

PREPARED BY:



John A. Lundblad
Management Analyst

SUBMITTED BY:



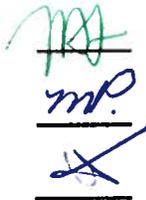
Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Margery M. Pierce, Director, Neighborhood Services

Teri Ferro, Director, Financial Services



Community Development Block Grant Program 2012
2011-12 Actual and 2012-13 Estimates

	2011-2012	2012-2013 est.	
CDBG Award amount	\$ 1,639,551	\$ 1,434,598	(est.)
Public Services			funded at
Community Resource Centers	\$ 93,000	\$ 93,000	100%
Parks & Recreation Teens	\$ 18,600	\$ 18,600	100%
Parks & Recreation 4 Kids Sake	\$ 18,200	\$ 18,200	100%
VCC - Libby Lake Community Center	\$ 17,700	\$ 15,045	85%
Lifeline - Crown Heights Res. Center	\$ 7,800	\$ 7,500	minimum*
OSCA - Senior Nutrition	\$ 25,800	\$ 21,930	85%
Brother Benno's - Food Paks	\$ 10,611	\$ 9,019	85%
Interfaith Coastal - Safety Net	\$ 7,500	\$ 7,500	minimum*
Boys and Girls Gangbusters	\$ 16,731	\$ -	
Boys and Girls Libby Lake	\$ 9,000	\$ -	
Ivey Ranch Summer Camp	\$ 7,500	\$ -	
NCHS Health Screenings	\$ 11,250	\$ -	
Angel's Depot	\$ 7,500	\$ -	
Alliance Winter Shelter	\$ -	\$ 33,223	100%
CDBG Public Services	\$ 251,192 capped	\$ 224,017 capped	
			*Minimum level of funding for CDBG grants
Homeless Programs (Mortgage Revenue Bond funds)			
Alliance & Winter Shelters	\$ 33,223	\$ -	
Casa de Amparo	\$ 7,500	\$ -	
Fraternity House	\$ 7,500	\$ -	
Women's Resource Center	\$ 7,500	\$ -	
YMCA Oz North Coast	\$ 7,500	\$ -	
MRB Funding	\$ 63,223	\$ -	
Administration and Planning			
Housing Program Development	\$ 170,000	\$ 170,000	
Fair Housing Activities	\$ 15,000	\$ 15,000	
Grant Management	\$ 150,000	\$ 105,000	(est.)
Neighborhood Revitalization Program	\$ 15,000	\$ -	
Total Administration and Planning	\$ 350,000 capped	\$ 290,000 capped	
Other CDBG-funded Activities			
Mobile Home Improvement Program	\$ 100,000	\$ 100,000	
Rehabilitation Program Management	\$ 140,000	\$ 140,000	
Code Enforcement	\$ 355,000	\$ 355,000	(est.)
Section 108 Loan Payment (OFD Sta. 7)	\$ 270,161	\$ 272,016	
Total Other Activities	\$ 865,161	\$ 867,016	(est.)
Contingency	\$ 173,198	\$ 53,565	
TOTAL ALL CDBG	\$ 1,639,551	\$ 1,434,598	(est.)

Community Development Block Grant Program 2011-2012

PUBLIC SERVICES SUBRECIPIENTS

For Program Year 2011 (July 1, 2011 to June 30, 2012) the City Council awarded Community Development Block Grant (CDBG) public services fund to the following subrecipient organizations and activities:

1. Teen S.T.A.R.T. programs at the Joe Balderrama and Melba Bishop Recreation Centers
2. *For Kids Sake* programs at the Joe Balderrama and Melba Bishop Recreation Centers
3. Crown Heights and Chavez Community Resource Centers
4. Angel's Depot *Food for a Week*
5. Brother Benno Foundation *Food Basics*
6. Boys and Girls Club of Oceanside *Gangbusters* program
7. Boys and Girls Club of Oceanside afterschool programs
8. Interfaith Community Services *Safety Net* services
9. Ivey Ranch Park Association *Camp Ivey*
10. North County Health Services health screenings
11. North County Lifeline Crown Heights youth development club
12. Oceanside Senior Citizens Association *Lunch with Friends*
13. Vista Community Clinic Teen REACH

The Council also awarded funding to these activities in 2010-2011. The City Council awarded grants in 2010-2011 and 2011-2012 to the following organizations by using Mortgage Revenue Bond Available Balance funds, which are restricted to housing and homeless programs:

14. Casa de Amparo – neglected and abused children
15. Fraternity House – very low-income persons with AIDS
16. Women's Resource Center – victims of domestic violence
17. YMCA of San Diego – runaway and homeless youth

A brief description of each program follows:

1. Recreation Division Teen START

The Teen START program of the City's Parks & Recreation Division provides positive programming and activities for youth ages 12-17 living in the low-income Eastside, Mesa Margarita and North River Road neighborhoods. The program offers a broad spectrum of educational, cultural and recreation activities with an

emphasis on positive youth development and academic achievement in order to deter participation in youth gangs.

2. Recreation Division *For Kids Sake*

The *For Kids Sake* program of the City's Parks & Recreation division is intended to serve as a safe haven for children ages 6 to 11 from the low-income and high-risk Eastside, Mesa Margarita and North River Road neighborhoods providing tutoring, fitness, recreation, cooking, cultural celebrations and sports activities to further the development of healthy minds and bodies and serve as a deterrent from future negative choices such as youth gang involvement.

3. Community Resource Centers

The City manages resource centers in the Crown Heights (Americanization School) and Eastside (Chavez Resource Center) neighborhoods. City staff at the resource centers provide information and referrals for residents, space for neighborhood meetings, space for services provided by partner nonprofit organizations and other programs and activities designed to promote a positive neighborhood environment in which residents feel safe and secure.

4. Angel's Depot *Food for a Week*

The Angel's Depot provides a monthly "Meal in a Box" to extremely low-income senior households; the box contains nutritious, nonperishable food that can be easily prepared for twenty-one meals. Distribution is at the Country Club Senior Center.

5. Brother Benno Foundation *Food Basics*

The *Food Basics* program at Brother Benno's provides supplementary food to low-income households, homeless persons and families, and very low-income seniors and persons with disabilities. Eligible households can receive monthly food packs with basic food staples for three or four days.

6. Boys and Girls Club of Oceanside *Gangbusters* Program

Gangbusters is a violence prevention and academic enrichment program that addresses youth gang involvement. Youth participate in life skills training, social skills training, academic enrichment and recreation activities designed to keep them crime-free and in school.

7. Boys and Girls Club of Oceanside Outreach

The Boys and Girls Club of Oceanside provides a safe, positive place for children during critical afterschool, vacation and summer hours. Programs are offered at school sites during the school year with intervention and prevention services, tutoring and mentoring programs, recreation, health and nutrition education, and a variety of other programs designed to deter gang membership and promote positive youth development.

8. Interfaith Community Service *Safety Net*

The *Safety Net* program of Interfaith Community Services provides emergency services to low- and very low-income families facing a crisis due to financial hardship. Services available include prescription assistance, food, gas vouchers, bus passes and referrals to other services for which the family may be eligible such as *CalFresh* or VA benefits, with a goal of promoting self-sufficiency and reducing dependency on emergency aid.

9. Ivey Ranch Park Association *Camp Ivey*

Camp Ivey is a summer daycamp for children with special needs and/or from low- and moderate-income families. Children and youth participate in an equestrian-based daycamp program to learn about horses, riding, and humane treatment of animals.

10. North County Health Services *Health Screening and Immunization*

North County Health Services provides community health screenings and immunizations for low-income residents of the City, in particular those with limited or no health insurance coverage. Persons who present medical or dental problems at the screenings are referred to their nearest health clinic.

11. North County Lifeline Youth Development Clubs

North County Lifeline's program in the Crown Heights neighborhood provides free enrichment and positive development activities for children and youth from the neighborhood including homework assistance, sports and recreation, cultural celebrations, leadership development and healthy living classes, all designed to deter gang participation.

12. Oceanside Senior Citizens Association *Lunch with Friends*

Lunch with Friends provides a healthy, nutritious hot meal at the Country Club Senior Center five days a week to seniors and by delivery to homebound seniors and persons with disabilities. Frozen meals for weekend days are available for delivery. The nonprofit Oceanside Senior Citizens Association manages the program; no senior is turned away for inability to make the requested donation.

13. Vista Community Clinic *Teen REACH*

Teen REACH is an afterschool youth development program at the Libby Lake Community Center designed to strengthen protective factors against pregnancy, substance abuse, youth gang involvement and violence among youth. Activities include homework assistance, career planning, healthy living classes, service learning and mentoring.

14. Casa de Amparo

Casa de Amparo provides emergency housing and all supportive services for children and youth ages 5-18 who have been removed from their homes by law enforcement agencies or Child Protective Services. The children and youth remain at Casa until they can be placed in a safe environment with other relatives, in the foster care system, or reunited with parents.

15. Fraternity House AIDS Caregiving

Fraternity House is the only licensed provider of Residential Care Facilities for the Chronically III I(RCF-CI) iving with HIV/AIDS in San Diego County. The AIDS Caregiving program has evolved from providing comfort care to providing a wide range of care that treats the multiple diagnoses of each resident.

16. Women's Resource Center *Alternatives to Abuse*

The Women's Resource Center provides safe emergency shelter, counseling and supportive services to victims of domestic violence and their children to enable them to determine the best next decisions for themselves.

17. YMCA Youth and Family Services *Oz North Coast*

YMCA *Oz North Coast* provides safe shelter, counseling and supportive services to homeless, runaway and throwaway youth ages 12-17 with the goal of family reunification if possible or placement in the foster care system.

City of Oceanside

Office of the City Manager

Memorandum

To: Honorable Mayor and City Councilmembers

From: Michelle Lawrence, Deputy City Manager 

Through: Peter Weiss, City Manager 

Date: November 23, 2011

Subject: **2012-2013 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

Attached please find a copy of a memorandum from the Neighborhood Services Department concerning their recommendations for the 2012-2013 CDBG program. Staff will have a Council item for your December 14, 2011, meeting to obtain Council direction on the program going forward.

With the reduction in available CDBG funds, a number of currently funded nonprofit agencies will see a complete elimination of funding. Those that will no longer be funded include:

- Boys and Girls Club Gangbusters
- Boys and Girls Club Libby Lake
- Ivey Ranch Summer Camp
- NCHS Health Screenings
- Angels' Depot
- Casa de Amparo
- Fraternity House
- Women's Resource Center
- YMCA Oz North Coast

ATTACHMENT: November 22, 1011, memorandum re: CDBG

MEMORANDUM

TO: Peter Weiss, City Manager

THROUGH: Michelle Skaggs-Lawrence

FROM: Margery M. Pierce, Director of Neighborhood Services *mp.*

DATE: November 22, 2011

SUBJECT: 2012-2013 Community Development Block Grant Program

The City of Oceanside has been a participating jurisdiction (PJ) in the Community Development Block Grant (CDBG) Program of the U.S. Department of Housing and Urban Development (HUD) since the program began in 1974. The CDBG program has been an important source of funds for infrastructure and capital improvement projects, neighborhood revitalization in low-income areas, social services sponsored by the City and local nonprofit organizations, and other eligible activities such as code enforcement. The level of funding appropriated by Congress for the CDBG program has been steadily dropping in the past five years even while the number of eligible cities has been increasing. In 2000 the City received \$1,882,000 of CDBG entitlement funds, \$2,082,600 in 2005, \$1,960,622 in 2010 and \$1,639,551 in the current program year. In the current economic climate there is no reason to expect any movement other than a continued decline in funding for the program.

The House and Senate Conference Committee for funding the Departments of Transportation and Housing and Urban Development (T-HUD) for FFY 2012 reported out their recommendation on Monday, November 14. The committee recommended a ten percent cut in CDBG funding and a thirty-five percent cut in HOME funding as compared to the current fiscal year. On November 17, the Senate voted 70-30 to approve the conference report on a Fiscal Year 2012 appropriations package, H.R. 2112, that combines the Transportation-HUD, Agriculture, and Commerce-Justice-Science spending bills; earlier that day, the House had also voted to approve the conference report by a vote of 298-121. This so-called "minibus" compromise will be sent to the president for signing; he is expected to sign off on the agreement on Saturday.

The HUD – Los Angeles Field Office has passed on the following information to participating jurisdictions:

1. Population reports from Census 2010 will be worked into the formula for 2012 CDBG funding. This will increase the share of CDBG funding for cities with significant population increase such as Chula Vista, which increased twenty-five

percent, at the expense of cities with smaller population increase such as Oceanside, which increased only five percent.

2. Local CDBG funding for public services will remain at no more than fifteen percent of entitlement, which in 2011 meant a maximum of \$251,000 for allocation by the City Council. Any reduction to the overall entitlement results in a proportional reduction in the amount available for public services.
3. The Conference Committee did not accept the House recommendation to change the cap on CDBG funding for planning and administration so it will remain at twenty percent of the entitlement grant. Any reduction to the overall entitlement results in a proportional reduction in the amount available for administration and planning.
4. The Group of Twelve in Congress that has been charged with making recommendations for long-term reduction in the federal deficit has not released any information as to their deliberations but there is no expectation that the CDBG and other HUD programs will escape without reduction. The Group is supposed to issue a report before Thanksgiving; latest reports reveal little progress toward meeting this deadline.

November and December is normally the time when the City issues a request for applications for CDBG funds for public services; this including programs for seniors, youth and children, emergency services and other activities that will benefit low- and moderate-income individuals, families and communities. Given the anticipated reduction in funding for CDBG in 2012 and beyond, the Neighborhood Services Department recommends that:

1. The City not issue an open call for applications for CDBG public services funds for program year 2012-13.
2. Such public service funds that are available under the fifteen percent cap be limited to activities that benefit the neediest and most at-risk populations in the City, including:
 - Programs for at-risk children and youth provided by the Parks & Recreation Division at the Joe Balderrama and Melba Bishop Recreation Centers;
 - Programs for at-risk youth provided by Vista Community Clinic at the Libby Lake Community Center and North County Lifeline at the Crown Heights Resource Center;
 - Operation of the Crown Heights Resource Center in the very low-income Crown Heights neighborhood and the Chavez Resource Center in the low-income Eastside neighborhood;
 - Services for low- and very low-income seniors provided by the Oceanside Senior Citizens Association; and
 - The winter homeless shelter program sponsored by the Alliance for Regional Solutions and emergency services for very low-income

individuals and families provided by the Brother Benno Foundation and Interfaith Community Services.

Funding these activities in 2011 was \$227,500; a ten percent reduction in the entitlement grant for 2012 would allow no more than \$221,000.

This plan would eliminate CDBG funding for four agencies and organizations that were funded for the current program year, including

- The Angel's Depot;
- Oceanside Boys and Girls Club – Gangbusters Program and school-based afterschool programs in the Libby Lake, Calle Montecito and Mesa Margarita neighborhoods;
- Ivey Ranch Park Association *Camp Ivey Summer Camp*; and
- North County Health Services health screenings.

This plan would further eliminate further funding from the Mortgage Revenue Bond available balance that has been used in 2010-2011 and 2011-2012 to support agencies that provide housing and supportive services for homeless persons, including

- Casa de Amparo (abused and neglected children);
- Fraternity Housing (very low-income persons with AIDS);
- Women's Resource Center (victims of domestic violence); and
- YMCA Oz North Coast (homeless and runaway/throwaway youth).

3. Allocations of CDBG funding for public services for 2012-13 continue unchanged through the subsequent two years (2013-2014 and 2014-2015) of the 2010-2015 Consolidated Plan for Housing and Community Development, with adjustments each year based on actual CDBG funding received from HUD.

Funding for planning and administration activities, including CDBG program management, housing program development and fair housing activities, will be significantly impacted by any reduction in the entitlement. The City used seventeen percent of 2011 CDBG entitlement funding for planning and administration, primarily for staff costs.

CDBG funds from prior years remain available for housing rehabilitation programs, both loans for single-family homes and grants for the Mobile Home Improvement Program. CDBG funds other than those set aside for public services (15% cap) and for administration and planning (20% cap) will be available to support Code Enforcement activities in low- and moderate-income neighborhoods, make payments against the Section 108 Loan Guarantee for Fire Station 7, and support such capital improvement projects as may come forward. No General Fund monies are used in the CDBG program.

**Community Development Block Grant Program 2012
Public Service Grants**

	2011-2012	2012-2013	
CDBG Award amount	\$ 1,639,551	\$ 1,434,598 (est.)	
Public Services 15% cap	\$ 252,000	\$ 225,000 (est.)	
2011-2012 CDBG grants			funded at
Community Resource Centers	\$ 93,000	\$ 93,000	100%
Parks & Recreation Teens	\$ 18,600	\$ 18,600	100%
Parks & Recreation 4 Kids Sake	\$ 18,200	\$ 18,200	100%
VCC - Libby Lake Comm Center	\$ 17,700	\$ 15,045	85%
Lifeline - Crown Heights Res. Center	\$ 7,800	\$ 7,500	minimum
Senior Nutrition	\$ 25,800	\$ 21,930	85%
Brother Benno's - Food Paks	\$ 10,611	\$ 9,019	85%
Interfaith Coastal - Safety Net	\$ 7,500	\$ 7,500	minimum
Boys and Girls Gangbusters	\$ 16,731	\$ -	
Boys and Girls Libby Lake	\$ 9,000	\$ -	
Ivey Ranch Summer Camp	\$ 7,500	\$ -	
NCHS Health Screenings	\$ 11,250	\$ -	
Angel's Depot	\$ 7,500	\$ -	
Alliance Winter Shelter	\$ -	\$ 33,223	100%
CDBG Public Services	\$ 251,192	\$ 224,017	

Homeless Programs (Mortgage Revenue Bond funds)

Alliance & Winter Shelters	\$ 33,223	\$0
Casa de Amparo	\$ 7,500	\$0
Fraternity House	\$ 7,500	\$0
Women's Resource Center	\$ 7,500	\$0
YMCA Oz North Coast	\$ 7,500	\$0
MRB Funding	\$ 63,223	

**Community Development Block Grant Program
2011-2012 Budget and Allocation of Funds**

Revenue	2010-11	Option 1 90%	Option 2 80%
a. CDBG Entitlement based on 2010-11 actual	\$ 1,960,622	\$ 1,765,560	\$ 1,568,498
b. CDBG Program Income (estimated)	\$ 65,000	\$ 35,000	\$ 35,000
c. Contingency available for allocation	\$ -	\$ -	\$ -
Total Revenue (est.)	\$ 2,025,622	\$ 1,800,560	\$ 1,603,498
Expenditures			
a. Admin/Planning: CDBG 20% line 5			
1. Housing Program Development	\$ 185,000	\$ 175,000	\$ 160,000
2. Fair Housing Programs	\$ 10,000	\$ 10,000	\$ 10,000
3. Grants Administration	\$ 180,000	\$ 180,000	\$ 150,000
4. Neighborhood Revitalization	\$ 30,000	\$ 20,000	\$ -
Total Administration and Planning	\$ 375,000	\$ 355,000	\$ 320,000
b. CDBG Public Services: 15% of line 5			
1. Parks & Recreation Teens*	\$ 18,600	\$ 18,600	\$ 18,600
2. Parks & Recreation 4 Kids Sake*	\$ 18,200	\$ 18,200	\$ 18,200
3. Angel's Depot Food for a Week	\$ 8,540	\$ 7,686	\$ 6,192
4. Brother Benno Foundation	\$ 14,148	\$ 12,733	\$ 10,257
5. Boys & Girls Club Gangbusters	\$ 22,308	\$ 20,077	\$ 16,173
6. Boys & Girls Club Libby Lake	\$ 12,000	\$ 10,800	\$ 8,700
7. Boys and Girls Club Senior Fitness	\$ 9,176	\$ -	\$ -
8. Interfaith Community Services	\$ 7,804	\$ 7,024	\$ 5,658
9. Ivey Ranch Park Association	\$ 7,542	\$ -	\$ -
10. North County Health Services	\$ 15,000	\$ 13,500	\$ 10,875
11. Senior Citizens Association Senior Nutrition	\$ 34,400	\$ 30,960	\$ 24,940
12. VCC Teen REACH	\$ 23,600	\$ 21,240	\$ 17,110
13. Community Resource Centers*	\$ 112,669	\$ 95,000	\$ 95,000
14. North County Lifeline (In NRSA funds 2010)	\$ 10,400	\$ 9,360	\$ 7,540
15. Camp Fire USA (In NRSA funds 2010)	\$ 10,000	\$ -	\$ -
16. Neighborhood Clean-up Activities	\$ -	\$ 5,000	\$ -
Total Public Services	\$ 324,387	\$ 270,180	\$ 239,245
*No reductions to City programs	max - \$303,843	max - \$270,084	max - \$240,524
c. Neighborhood Revitalization Programs			
1. Community HousingWorks NRSA Implementation (part of 20% admin & planning)	\$ 25,000	\$ 25,000	\$ 25,000
d. Housing Rehabilitation*			
1. Single Family Rehabilitation Loans	\$ 320,000	\$ -	\$ -
2. Mobilehome Rehabilitation Grants	\$ 100,000	\$ -	\$ -
3. Program Management and Loan Services	\$ 130,000	\$ 130,000	\$ 130,000
Total Housing Rehabilitation	\$ 550,000	\$ 130,000	\$ 130,000
*The City will fund housing rehabilitation programs in 2011-2012 with unused funds from prior years.			
e. Code Enforcement Programs	\$ 255,136	\$ 431,061	\$ 431,061
f. S.U.N. 2011	\$ 100,000		\$ -
g. Section 108 Loan Payment / OFD Sta 7	\$ 267,703	\$ 270,161	\$ 270,161
h. Unallocated funds	\$ 503,396	\$ 319,158	\$ 188,031
Total 2011-2012 CDBG Budget	\$ 2,025,622	\$ 1,800,560	\$ 1,603,498
i. Local housing program funds			
1. Casa de Amparo	\$ 7,500	\$ 6,750	\$ 6,000
2. Fraternity House	\$ 7,600	\$ 6,840	\$ 6,080
3. Women's Resource Center Emergency Shelter	\$ 11,820	\$ 10,638	\$ 9,456
4. YMCA Oz North Coast Shelter	\$ 17,800	\$ 16,020	\$ 14,240
5. Winter Shelters / Homeless Task Force	\$ 40,000	\$ 40,000	\$ 40,000
Total	\$ 84,720	\$ 80,248	\$ 75,776

MEMORANDUM

TO: Honorable Mayor and City Councilmembers

THROUGH: Peter Weiss, City Manager 

FROM: Margery M. Pierce, Director, Neighborhood Services Department 

DATE: December 2, 2011

SUBJECT: 2012-2015 Community Development Block Grant Program Plan

Councilmember Kern has raised questions concerning information provided to the City Council about the proposed 2012-2015 Community Development Block Grant Program Plan.

1. We are presuming that the actual fiscal year pertaining to program information is 2012 – 2013 as stated in your original memorandum dated 11-23-2011, not 2012- 2015 referenced above in your memorandum dated 12-1-2011. Is this correct?

The proposed program plan would be in effect for FYs 2012-13, 2013-14 and 2014-15 as a way of reducing administrative costs. The estimates provided in the previous memo are for FY 2012-13 only. Staff would bring each year's proposal and allocation of funds to the City Council for approval based on that year's entitlement grant.

2. Would the actual funding amount requested be \$355,000 versus \$431,061 based on the supplanting issue?

The \$431,061 figure was one option under consideration for Code Enforcement for 2011-2012; this figure was not part of the final CDBG budget presented to the City Council. The \$355,000 figure is the CDBG allocation for Code Enforcement in the 2011-2012 City budget.

3. What part, if any of these monies are to go to a new code enforcement officer or paying management costs, if any?

Staff is not proposing the hiring of any new Code Enforcement officers in 2012-13 or beyond. The management costs included in the CDBG Code Enforcement allocation is the same as is included in the costs of all Code Enforcement officers regardless of funding source.

4. Can you please advise where the funding amounts are coming from and where they are going to?

The only funding source under consideration in the CDBG program plan is the annual entitlement grant awarded to the City from the U.S. Department of Housing and Urban Development based on the appropriation from Congress. Funds will be allocated based on action of the City Council and in compliance with restrictions of HUD regulations.

5. Are there any General Fund monies involved in the program funding request?

No General Fund monies are used in the CDBG program. CDBG funds may only supplement and never supplant expenditures of any local funds.

MEMORANDUM

TO: Honorable Mayor and City Councilmembers

THROUGH: Peter Weiss, City Manager 

FROM: Margery M. Pierce, Director, Neighborhood Services Department 

DATE: December 1, 2011

SUBJECT: 2012-2015 Community Development Block Grant Program Plan

Councilmember Gary Felien raised the following question regarding the proposed 2012-2015 Community Development Block Grant (CDBG) Program Plan:

On page three of the memo, you state that CDBG funds other than those set aside for public services and admin will be available to support increased Code Enforcement activities. The allocation of funds spreadsheet that was included indicates that CDBG supported Code Enforcement expenditures will be \$431,061 under Options 1 and 2.

This figure is higher than what was appropriated at the September 28 meeting when council approved a request by staff to increase the code enforcement budget to \$355,000 so that an additional code enforcement officer could be added. Can you please clarify what additional code enforcement activities this latest budget increase will be used for? I have attached copies of the documents I referenced for your convenience.

The spreadsheets that Councilmember Felien refers to were options prepared for the City Council concerning the 2011-2012 CDBG Program budget during the time when the City waited for notification of its entitlement grant for the year; official notification did not come until June 3, 2011. As part of preparation of the CDBG budget for 2011-2012 staff explored adding a third Code Enforcement officer to supplement existing services through new proactive enforcement activities; staff also sought to add the costs of code enforcement management to the CDBG budget. If both a new officer and additional management costs had been approved, the total CDBG budget would have been \$431,061. The U.S. Department of Housing and Urban Development (HUD) Los Angeles Field Office stated that while adding a new officer for new community services was "supplementing" existing services, paying the management costs that had been covered by local funds was "supplanting" and therefore ineligible for CDBG funding. Council action on September 28 completed approval of the 2011-2012 CDBG budget with \$355,000 for Code Enforcement, which was an increase over the \$255,136 in the 2010-2011 CDBG budget and included only the cost of a new position.

