



AGENCY:	City Council
MEETING DATE:	August 14, 2023
DEPARTMENT:	Community Development Dept.
PRESENTED BY:	L. Peterson
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AGENDA ITEM SUMMARY

TITLE:
RECEIVE REPORT REGARDING UPDATE TO 2023 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING SCHEDULE

ISSUE:

Every year, the California Department of Housing and Community Development (HCD) releases a funding opportunity under the Community Development Block Grant (CDBG) program. Funds for the program are made available to HCD from the United States Department of Housing and Urban Development (HUD). As a non-entitlement jurisdiction, the City is eligible to apply for grants through the CDBG program.

In order to be eligible to receive CDBG funding, the City must hold at least two public hearings to solicit public input: one during the design phase and one before submitting an application to HCD. The first public hearing was held on July 24, 2023, and Council gave direction to staff regarding potential activities. Since that date, staff has been made aware of changes to the projected NOFA schedule; those changes are outlined in this report in order to keep Council and the public aware and informed of the timeframe for potential funding under the CDBG program.

ANALYSIS:

The 2023 Notice of Funding Availability (NOFA) was originally expected to be released near the end of July 2023. During HCD’s CDBG Office Hours on July 26, 2023, CDBG staff announced that the NOFA schedule would be changed. A NOFA will be released in September 2023 for waitlisted projects only. The City does not have a waitlisted project and will not be eligible under this NOFA. Following this, there will be no future waitlists. A NOFA combining unused 2023 funding and 2024 funding will be released in January 2024. The City will be eligible to apply under January’s NOFA.

The updated projected schedule is as follows:

NOFA Release	January 2024
Application Portal Opens	February 2024
Application Portal Closes	April 2024
Executed Standard Agreements	October – December 2024

HCD staff have indicated that, other than the delayed schedule and separation of waitlisted projects into a separate NOFA, the January 2024 NOFA will remain similar to what was previously anticipated. The number of applications and funding cap per jurisdiction is not expected to change, though HCD will hold a listening session in October 2023 that may result in changes. HCD staff also stated that Public Hearings conducted by applicants in 2023 will satisfy the requirement for the 2024 NOFA.

On July 24, 2023, City Council held the required Design Phase Public Hearing to solicit citizen feedback regarding potential applications. After discussion, Council directed staff to prepare a

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Housing Programs Over-the-Counter (OTC) application for a combination of Code Enforcement, Housing Rehabilitation, and Homebuyer Assistance. Staff confirmed that all three programs may be combined under one Housing Programs application. If the City's 2024 OTC application is successful, the City's current Code Enforcement Program will be unfunded between April 2024 and October 2024. Staff may request a time extension for the current Code Enforcement Program with the intent of keeping the program continuously funded, though there is no guarantee of HCD approval.

On July 24, 2023, Council also directed staff to research Competitive Public Services applications for (1) Youth / Job Training, (2) Crisis Response Unit (CRU) program, and (3) Utility Assistance Program. The discussion was conducted with the assumption that the City would be ineligible for Planning applications because the Fire Station Planning grant would not meet the 50% expenditure requirement before the application deadline. Due to the delayed NOFA schedule, the City may be eligible for Planning activities by the time applications are due. Staff will return to Council once the NOFA has been released to report on the efficacy of the proposed Public Services activities and to discuss the eligibility status for potential Planning applications. A Public Hearing will be scheduled to receive and consider citizen input regarding proposed activities prior to Council approval of applications via resolution.

RECOMMENDED ACTION:

No action is required. The report is for informational and planning purposes only.

ALTERNATIVE ACTION(S):

None.

FISCAL IMPACT:

CDBG funds allow the City to conduct activities and complete projects to benefit the community, in particular the City's low-and moderate-income residents, for which funding would otherwise be unavailable. CDBG activities also create job opportunities in the community. CDBG grant administration requires significant commitment of staff time, but CDBG provides funding for administrative activities that is generally adequate to service the program.

CONSISTENCY:

The State CDBG mission is to improve the lives of low-and moderate-income residents through the creation and expansion of community and economic development opportunities, which supports livable communities for all residents. This mission is consistent with City Priority Areas established in City Council's April 2019 Goal Setting process including Priority Area "Jobs/Industry" (Economic Development loans and grants, Business Assistance Program); Priority Area "Quality of Life" (public improvements projects); and Priority Area "Infrastructure" (community development capital projects).

IMPLEMENTATION/TIMEFRAMES:

Staff will return for discussion and further direction after the NOFA release in January 2024. OTC applications should be submitted as soon as the application portal opens in February 2024. Competitive applications should be submitted between application portal opening in February 2024 and closing in April 2024. Contracts for successful applications will likely be executed between October 2024 and December 2024.

ATTACHMENTS:

None.

NOTIFICATION:

1. CDBG "Notify Me" Subscribers