



CITY OF FORT BRAGG

416 N. FRANKLIN, FORT BRAGG, CA 95437
PHONE 707/961-2823 FAX 707/961-2802

COUNCIL COMMITTEE ITEM SUMMARY REPORT

MEETING DATE: JUNE 28, 2022
TO: COMMUNITY DEVELOPMENT COMMITTEE
FROM: LACY PETERSON
AGENDA ITEM TITLE: Application Direction for 2022 CDBG NOFA

BACKGROUND AND OVERVIEW:

Each year, the California Housing and Community Development Department (HCD) receives an allocation from the federal Department of Housing and Urban Development (HUD) to administer California's Community Development Block Grant (CDBG) program. The CDBG program is designed to provide assistance to eligible municipalities to improve economic opportunities and meet community revitalization needs, and provide decent affordable housing and suitable living environment, particularly for persons of low and moderate income.

HCD makes these funds available to eligible jurisdictions through both a competitive application process and an over the counter application. Competitive applications are scored, ranked, and awarded accordingly as funds allow. Over the Counter (OTC) applications are not subject to the competitive scoring process, so long as they meet the national objectives and are BID-ready within 90 days of award. This year, HCD is not accepting new Community Development OTC applications because previous solicitations were over-subscribed and wait-listed projects are still being awarded as funds are available. Only competitive applications and Economic Development OTC will be accepted in the 2022 solicitation. No BID-ready competitive projects have been identified as potential applications for this NOFA cycle.

HCD requires that at least 50% of prior CDBG awards be expended before the grantee may apply for additional awards of a like Activity. The City worked diligently to expend Water Meter Replacement Project funds in anticipation of the 2022 NOFA. This was accomplished, however, the 2022 NOFA does not include OTC construction funds for community development projects. HCD offers waivers to grantees who have not met the 50% rule, on a case by case basis, and the City intended to submit a waiver request related to planning grant funds not yet expended by 50% - namely, the Fire Station Rehabilitation Planning Grant in the amount of \$203,702. Unfortunately, HCD has stated

that there will be absolutely no waivers granted for the 2022 NOFA, which limits the City's ability to participate in this cycle of funding.

TIMELINE

The NOFA was released on April 19, 2022, with Community Development applications originally due June 20, 2022 and Economic Development applications due July 18, 2022. On June 7, 2022, during a 2022 CDBG NOFA Technical Assistance Session, HCD announced that the due date for all 2022 NOFA applications will be moved to August 19, 2022.

ELIGIBILITY

Small non-entitlement jurisdictions like the City of Fort Bragg are eligible to apply for up to \$1.5 million in the 2022 CDBG NOFA. Program Income may be added to an activity's budget; however, the City's Program Income is currently budgeted into the Code Enforcement Program.

Per-activity limits are as follows:

Community Development

Housing assistance to single-family units (Homebuyer Assistance, Housing Rehabilitation)	Up to \$500,000
Public Services (including Rental Subsistence)	Up to \$500,000
Planning & Technical Assistance (including Housing Planning, Public Services Planning, & Non-housing Planning)	Up to \$250,000

Economic Development

Business Assistance / Microenterprise Assistance	Up to \$750,000
Infrastructure in Support of Business	Up to \$1,500,000
Economic Development Planning and Technical Assistance	Up to \$250,000

The City will likely meet the 50% expenditure rule to be eligible to apply for Business Assistance Loan Program funds. A few Business Loan applications are in process and, if approved within the expected timeline, nearly all of the Business Assistance funds will be expended.

CURRENT AWARDS

The table below illustrates the City's current and open CDBG grant awards:

Grant Title	Project Title	Award ID
CDBG - Economic Development - Programs (2019)	Business Assistance Loan Program	20-CDBG-12080
CDBG - Economic Development - Programs (2019)	Microenterprise Financial Assistance	20-CDBG-12079
CDBG - Non-Housing - Competitive (2019)	Code Enforcement Program	20-CDBG-12043
CDBG - Non-Housing - Competitive (2019)	Fire Station Rehabilitation Planning	20-CDBG-12029
CDBG - Non-Housing - Competitive (2019)	Mill Site Planning – Ocean Water Intake and Discharge Infrastructure	20-CDBG-12030
CDBG - Non-Housing - OTC (2019)	Water Meter Replacement Project	20-CDBG-12092
CDBG-CV1 2020	City of Fort Bragg COVID-19 Utility Assist	20-CDBG-CV1-00124
CDBG-CV2 and 3 Allocation	City of Fort Bragg COVID-19 Utility Assist	20-CDBG-CV2-3-00108
CDBG-CV2 and 3 Allocation	City of Fort Bragg COVID-19 Business Assistance Loan Program	20-CDBG-CV2-3-00235
CDBG-PFI-RCFE	Parents and Friends, Inc. Residential Care Facility	17-CDBG-12020

FUTURE PROJECTS

Staff identified several potential projects for the 2022 CDBG funding. As the City is only eligible for Business Assistance Loan Program funds at this time, staff will work to identify other grant opportunities to move these projects forward. Those listed that are not funded, will be brought back for Council consideration when the next round of CDBG funding is available:

- Ocean Water Intake Planning Geotechnical Sampling: One of several studies recommended to determine site feasibility. This study will determine the hydraulic transmissivity of subsurface/subsea sediments.
- Ocean Water Intake Planning Benthic Survey: One of several studies recommended to determine site feasibility. This study will determine the presence of sensitive habitat and benthic topography.
- Housing Mendocino Coast – Hazelwood Project: sight improvements and housing units for pilot project.
- Sewer Infrastructure Planning: Design and environmental review of the extension of sewer services north of Pudding Creek to the end of City Limits.

- Water Tank Rehabilitation: Rehabilitation of out-of-service water storage tank at Public Works Corp Yard. Return tank to usable quality to provide additional storage capacity.
- Arts, Entertainment, and Recreation Plan: Needs assessment for different types of recreation facilities to support recreation, arts, and entertainment.

Currently, staff is pursuing several grant opportunities to move forward Council priorities to create housing, jobs, and reliable broadband connectivity.

Grantor	Grant	Purpose	Deadline
CA Department of Housing & Community Development (HCD)	Infill Infrastructure Grant (IIG)	Housing Mendocino Coast Hazelwood Project - Frontage	Open: Now Deadline: October 2022
CA Department of Housing & Community Development (HCD)	Permanent Local Housing Allocation (PLHA)	Housing Mendocino Coast Hazelwood Project – Site Work	Open: Now Deadline: November 2022
California Public Utilities Commission (CPUC)	Local Technical Assistance	Pre-construction expenses in advance of Broadband deployment	Open: Any Day Deadline: First come, first served
California Strategic Growth Council	Regional Climate Collaborative Program (RCC)	Capacity Building for Noyo Ocean Collective to implement blue economy initiatives	Open: Now Deadline: October 2022
Coastal Conservancy	Coastal Resiliency Grants	Planning studies related to permitting feasibility of ocean water intake and discharge	Open: Now Deadline: Rolling, First come, first served
		Aquaculture Pilot Project in Noyo Harbor	
		Fuel Dock permitting for Noyo Harbor	
California Coastal Commission	Local Assistance Grant Program	Planning studies related to permitting feasibility of ocean water intake and discharge	Competitive, TBA Noncompetitive, Open: Now Deadline: First come, first served
		Sea Level Rise & Tsunami Vulnerability Studies	
		CLUDC Code revisions	
		Circulation Planning Study related to North Harbor Drive	
CIP Water Projects	Various	Assist Public Works to identify funding sources for \$20 Million of Projects	

City staff from various departments are also seeking and administering grant funds. As time allows, the Grant Coordinator is working to consolidate master list of all City grants to be presented at a later date.

RECOMMENDATION:

Staff recommends Committee consider recommendation to Council to apply for Business Assistance Loan Program funds up to the amount of \$750,000 under this solicitation. The City is likely ineligible to apply for funding for any other identified projects under the 2022 NOFA. Staff will focus on expending current awards to avoid constraints during the 2023 NOFA cycle.

ALTERNATIVE RECOMMENDATION (1):

Provide direction to staff regarding which applications (up to three in total) to pursue under the 2022 NOFA, acknowledging the possibility that Planning applications may not meet threshold (50% rule) by the time applications are reviewed by HCD staff and will be disqualified.

ALTERNATIVE RECOMMENDATION (2):

No action in regards to 2022 CDBG NOFA. Staff is working on several other grant funding opportunities and will focus resources on those applications.

NOTIFICATIONS:

1. CDBG Activities Notify Me Subscribers