



TO: Mayor and Councilmembers

FROM: Jaime A. Valdez, Neighborhood Services Director

CONTACT: Shanna Dawson, Management Analyst

SUBJECT: Public Hearing on Needs, Goals, and Funding Priorities for the 2023-2024 Community Development Block Grant (CDBG) Program

RECOMMENDATION:

- A. Conduct a public hearing to receive public input on the needs, goals, and objectives of the City's CDBG Program and funding recommendations for the 2023-2024 Action Plan; and
- B. Approve the recommendations of the Grant Funding Review Standing Committee for 2023-2024 CDBG funding to be included in the draft Action Plan.

BACKGROUND:

Since 2004, the City of Goleta has received 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 expanded economic development opportunities for persons of very low, low, and moderate incomes. As a CDBG entitlement community, the City of Goleta is required to submit an Annual Action Plan to HUD. The Annual Action Plan articulates the City's proposed CDBG projects for the upcoming program year, sets annual goals, and indicates how the CDBG funding will be allocated.

Following the input and recommendations provided at this meeting, staff will complete the draft 2023-2024 CDBG Action Plan. This draft Action Plan will then be released for a 30-day public review period prior to returning to the City Council for final approval. The Action Plan must be submitted to HUD by May 15th annually.

At this time, the federal CDBG allocations for FY 2023-2024 have not been finalized and HUD has not released the FY 2023-2024 entitlement allocations. As a result, staff has proceeded under a status quo estimate that the total amount will be approximately the same as the current year (\$239,793). Fifteen percent (15%) or just under \$36,000 of this amount can be allocated to Public Services to assist low- to moderate-income people.

On December 16, 2022, the City published Notices of Funding Availability in English in the Independent and in Spanish in El Latino, inviting applications for FY 2023-2024 funding through both the Goleta City Grant program and the CDBG program. Outreach for FY 2023-2024 grant funding availability was provided via the aforementioned newspaper display ads, the City's website, social media, and by press release. City staff also notified current and past applicants about the funding availability. For the fifth year, the City utilized an online application process through ZoomGrants, a popular online application program used by many other jurisdictions. The deadline for submittal of grant applications was January 27, 2023.

Of the 59 applications received, 12 applicants were eligible and were considered for CDBG funding. The funding requests of all 12 CDBG applications totaled \$182,000 with requests ranging from \$10,000 to \$25,000. These 12 CDBG applications were reviewed by the Grant Funding Review Standing Committee (Committee) on February 9, 2023. This Committee is comprised of the Mayor, Mayor Pro Tempore, and two citizen advisory members appointed by the Mayor and Mayor Pro Tempore. The purpose of the Committee is to investigate, consider, evaluate, and advise the Council regarding grant funding opportunities, including CDBG funding and Goleta City Grant Program funding. In addition to Mayor Perotte and Mayor Pro Tempore Richards, the two citizen members appointed to serve on the Committee this calendar year are Linda Croyle and Eileen Preston.

DISCUSSION:

This public hearing provides an opportunity for the public and the City Council to discuss the City's needs, priorities, and potential projects that should receive CDBG grant funding for FY 2023-2024. Consideration for CDBG funding should be given to the goals that were established in the 2020-2024 Five-Year Consolidated Plan. These include providing CDBG support for services to the homeless, those with disabilities or special needs, services for low- to moderate-income youth and seniors, and general services for low- to moderate income people. Other goals of the Consolidated Plan include promoting a suitable living environment through street, sidewalk, drainage, park and other infrastructure improvements in areas with high concentrations of low- to moderate-income populations, namely Old Town Goleta. A summary of the goals from the CDBG Five-Year Consolidated Plan and the annual target for the number of people to be assisted is provided in Table 1 below.

Table 1: CDBG Five-Year Consolidated Plan Goals

Goal and Description	Needs Addressed	Annual Goal
Public Services: Services for seniors, youth, homeless persons/families, persons with special needs, and other services for low- to moderate- income people.	<ul style="list-style-type: none"> • Homelessness • Non-Housing Community Development • Affordable Housing 	<ul style="list-style-type: none"> • Public services: <ul style="list-style-type: none"> • <i>3,000 persons assisted</i> • Homeless persons given shelter/housing: <ul style="list-style-type: none"> • <i>10 persons assisted</i> • Homelessness prevention: <ul style="list-style-type: none"> • <i>10 persons assisted</i>

Public Facilities & Infrastructure: Streets, sidewalks, flood control, parks, bike paths, drainage, open space, etc.	• Non-Housing Community Development	• 15,000 persons assisted (5-year period)
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The Grant Funding Review Standing Committee meeting was held on February 9, 2023, to review the City's use of CDBG grant funding. This included review of applications for sub-recipient grants for public services (15% of CDBG funding), including programs providing general services to low-income people, youths, seniors, and the homeless. After deliberation, the Committee recommended CDBG awards to three of the 12 applicants (summarized in Table 2 below). The Committee also selected a fourth application to fund should the amount available for public services reach \$40,000. In the event the funding remains lower than that amount, the Committee will be recommending that this applicant be funded for a Goleta City Grant of \$10,000. This applicant is the United Boys & Girls Clubs of Santa Barbara County. The Committee also agreed to consider the nine remaining CDBG applicants along with the Goleta City Grant funding applicants. Attachment 1 summarizes the full list of all CDBG Grant applications received and the ones recommended to award by the Grant Funding Review Standing Committee.

Table 2: 2023-2024 CDBG Public Service Recommendations

Recommended CDBG Sub-Recipient	Amount	Description
Isla Vista Youth Projects, Inc. (IVYP)	Approximately \$11,000	Funding will support IVYP's Family Resource Center to end the cycle of poverty, build a healthy community and promote parental resilience. This includes case management, food assistance, parenting classes, and health screenings.
People's Self-Help Housing Corporation	Approximately \$11,000	Funding would support free clinical case management & homelessness prevention services to any of the 224 households and 687 residents currently residing at PSHH's five affordable, sliding-scale rental properties located within the City of Goleta.
Santa Barbara Neighborhood Clinics	Approximately \$11,000	Funding would support the Goleta Neighborhood Clinic's and Goleta Dental Clinic's comprehensive health and dental care services including medical and dental care, mental health and counseling services.

The City is allowed to use up to 20% of its annual allocation for planning and administration of the CDBG program, or approximately \$46,750. The remaining 65% of the City's CDBG allocation is typically directed to one or more capital improvement projects primarily benefiting low- to moderate-income people or people with disabilities, as discussed further below.

CDBG Capital Improvement Project for Program Year 2023-2024

Staff estimates the City will receive approximately \$150,000 in CDBG funds for the 2023-2024 program year that will be available for capital projects. Based on discussions with the City Manager and Public Works Department, staff again recommends that the CIP portion of the CDBG allocation be directed to improvements at the Goleta Valley Community Center. Foundational issues have been discovered during the seismic and ADA improvements, which were funded with previous CDBG CIP funds. Improvements and repairs to the Community Center are eligible under the category of public facilities and improvements serving eligible low-income areas. The Committee agreed with the recommendation that the FY 2023-2024 CDBG funding again go towards the Community Center improvements. The City Council has placed a high priority on completing the Community Center improvements in the most expeditious manner possible.

FISCAL IMPACTS:

The costs for staff time spent on administration of the CDBG program are funded by the CDBG award received by the City. For the current fiscal year (2022-2023), the City received \$47,958.60 for administrative costs, which will be sufficient to cover the City's costs of preparing the 2023-2024 Action Plan and required outreach and advertising. CDBG funding for staff time is transferred to the City's General Fund via account number 402-60-6300-59000 to cover program-related costs.

As described above, HUD has not yet published the entitlement funding allocation formula for FY 2023-2024, and, thus, the City is using a status quo estimate of \$239,793 for FY 2023-2024. In the event the U.S. Congress significantly modifies funding for the CDBG program when the federal budget is approved, staff will inform Council and adjustments can be made prior to adoption of the Final Action Plan for 2023-2024.

ALTERNATIVES:

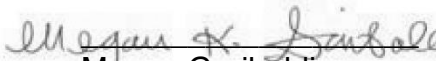
Council may elect to modify any or all of the Committee's recommendations, in which case staff would incorporate the revised allocations into the Draft 2023-2024 Action Plan. If Council opts to take no action, it would be difficult to make HUD's deadline for submittal of the Action Plan, which could in turn put the City's CDBG funding allocation in jeopardy.

Reviewed By:

Legal Review By:

Approved By:


Kristine Schmidt
Assistant City Manager


Megan Garibaldi
City Attorney


Robert Nisbet
City Manager

ATTACHMENT:

1. 2023-2024 CDBG Applicants and Committee Recommendations

ATTACHMENT 1

2023-2024 CDBG Applicants and Committee Recommendations

	Name of Organization	Project/Program	FY 23-24 Grant Request	Mayor Perotte Recommendation	Mayor Pro Tempore Richards Recommendation	Linda Croyle	Eileen Preston
1	Channel Islands YMCA	St. George Youth Center	\$10,000				
2	De Marillac, LLC. dba Fr. Virgil Cordano Center	Fr. Virgil Cordano Center	\$10,000				
3	Girls Incorporated of Greater Santa Barbara	After-School Program	\$15,000				
4	Isla Vista Youth Projects, Inc.	Family Resource Center	\$25,000	X	X	X	X
5	NBCC dba New Beginnings	Safe Parking Shelter and Rapid Rehousing Program	\$20,000				
6	People's Self-Help Housing Corporation	Supportive Housing Program	\$20,000	X	X	X	X
7	SB Neighborhood Clinics	Goleta Medical, Dental, Behavioral Health Services	\$15,000	X	X	X	X
8	St. Vincent's Institution	Family Strengthening Program	\$10,000				
9	Storyteller Children's Center	Storyteller Children's Center	\$12,000				
10	Transition House	Shelter and Services for Homeless Families	\$10,000				
11	United Boys & Girls Clubs of Santa Barbara County	United Boys & Girls Clubs, Goleta Club	\$25,000	***	***	***	***
12	Unity Shoppe	General Operating/Food Replenishment for Low Income Families	\$10,000				

\$182,000

Total
Requested

*** = Possible 4th sub-recipient