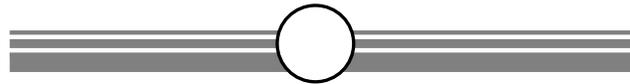


**Mayor**  
William Siegel  
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**Council Members**  
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City of  
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## **STAFF REPORT**

**Item #** 4

**To:** Lemoore City Council  
**From:** Holly Smyth, Planning Director *HS*  
**Date:** February 27, 2013  
**Subject:** Public Hearing – Community Development Block Grant (CDBG)  
Design Hearing for potential grant applications for upcoming Fiscal Year

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### **Discussion:**

Annually, the City of Lemoore is eligible to apply for CDBG grant funds from the State Department of Housing and Community Development. This year the City may submit up to three (3) activities in one grant application for eligible CDBG activities identified under the Notice of Funding Availability. It is estimated that up to \$2,000,000 can be applied for between the 3 activities, depending on the categories applied for and their individual limits listed below. Separately, the Economic Development “Over-the-Counter” (OTC) allocation is not part of this General Allocation and can be filed in a separate application with a separate timing schedule. The maximum limit of OTC funding is \$3,000,000 per year and does not apply to the above discussed \$2,000,000 limit for the other activities, but could be discussed under today’s Design Hearing.

In past years of the CDBG program, some of the potential activities previously discussed might not have scored well enough to get funded. However, in talking with the State, last year the program guidelines were changed to not allow those funded in the previous year to apply for new funds unless they spent 50% of the money by April 11, 2013. This means that this year many of the 2012 awardees, who tended to be funded year after year, will not be able to apply, and therefore Lemoore’s eligible activities will have a better chance of being funded. However, State staff suggested that jurisdictions apply for enough money to take them through 2 years because of this new rule. Another noticeable change from past cycles is that Planning Technical Assistance (PTA) grants are not applied for by themselves but must be applied for with one of the activities with an “\*” below. Only if one of the regular activities is funded can the PTA be awarded, therefore what is applied for under the regular categories could potentially jeopardize the PTA activity unless it has a high probability of scoring well or is for an “undersubscribed” activity such as economic development activities.

### THE FOLLOWING ARE THE VARIOUS ACTIVITY CATEGORIES:

- \*HOMEOWNERSHIP ASSISTANCE AND HOUSING REHABILITATION PROGRAMS (up to \$1,000,000)
- \*PUBLIC FACILITY AND PUBLIC IMPROVEMENTS PROJECTS, including public improvements in support of new housing construction (up to \$1,500,000)
- \*PUBLIC SERVICE PROGRAMS (up to \$500,000)
- PLANNING / TECHNICAL ASSISTANCE STUDIES (up to \$100,000 for no more than 2 studies)
- \*ECONOMIC DEVELOPMENT BUSINESS ASSISTANCE AND MICROENTERPRISE ACTIVITIES (up to \$300,000 for a single activity or \$500,000 for combination activities)

-OVER-the-COUNTER (OTC) as described in the first paragraph of this staff report which is usually direct business assistance to an identified business that meets all the qualifications.

A sample list of eligible types of Planning Technical Assistance (PTA) activities and past awards for the last 2 years are attached to give some examples of potential ideas. In all cases, eligible activities paid for with State CDBG funds must meet one or more of the three national objectives listed in CDBG Federal Statutes as follows:

- 1) Benefit to low income households or persons
- 2) Elimination of slums and blight
- 3) Meeting urgent community development need

The purpose of the Design Phase public hearing is to give citizens an opportunity to make their comments known regarding what types of eligible activities the City should consider applying for this coming fiscal year under the State's CDBG program. Staff has had initial conversations with West Hills College Culinary for a potential PTA for a restaurant business incubator project, has been listening to potential needs for the Lemoore Senior Center, and has been reviewing options for micro-business enterprises to potentially access as much available funding that would have a high probability of being successfully obtained. A separate public hearing is required to discuss and approve the actual grant application prior to submittal to the State at least 30 days after this initial design phase public hearing if the City decides to move forward and apply for grant funds.

#### **Budget Impact:**

Initial grant writing and public hearing notices by City staff, a consultant, or potential partners are not eligible reimbursable costs and would have to be bore by those writing the grant. If awarded the grant can cover activity delivery costs to carry out the project's as well as grant administration funds to do all the required reporting during the course of the grant. In regards to matching funds paid by the City, only a Planning Technical Assistance grant(s) would require a 5% match in funds while all other activities do not require matching funds.

#### **Recommendation:**

The Council should:

- 1) Ask that the general public sign the public participation form that is being passed around the room required by the grant.
- 2) Ask for staff to present their report.
- 3) Open the public hearing to encourage and accept ideas for potential activities to apply for that would meet the eligibility requirements of the CDBG grant application.
- 4) Provide direction to staff if a grant application should be put together
- 5) Select what projects should be included
- 6) Set the date for the next public hearing on the completed grant application.