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Staff Report

ITEM 5

To: Lemoore City Council
From: Judy Holwell, Project Manager 
Date: February 12, 2014
Subject: Public Hearing – Community Development Block Grant (CDBG)
Design Phase Public Hearing for Potential Grant Activities

Discussion:

Each year, the State Department of Housing and Community Development (Department) releases its Community Development Block Grant (CDBG) Notice of Funding Availability (NOFA) and eligible jurisdictions are required to hold a Design Phase Public Hearing to provide information about the CDBG program and to take the public's input to identify the best use of CDBG funds. The total amount of CDBG funds available for this 2014-2015 NOFA is approximately \$28,540,278. Applicants are restricted to submitting only one grant application totaling not more than \$2,000,000; however, the application may include up to three activities. The NOFA applies only to eligible CDBG activities and the maximum award limits for each activity are as follows:

- Economic Development Activities: A maximum of \$300,000 for either Business Assistance or Microenterprise or up to \$500,000 for a combination of both
- Housing Activities: A maximum of \$1,000,000 for one program and one project
- Public Improvements Activities: A maximum of \$1,500,000 for one project
- Public Facilities Activities: A maximum of \$1,500,000 for one project
- Public Service Activities: A maximum of \$500,000 for up to three services
- Planning (PTA) Activities: A maximum of \$100,000 for up to two studies

Last year, the City applied for a Public Facility Improvement Grant in the amount of \$963,200 for the rehabilitation of the Lemoore Senior Center and a PTA Grant in the amount of \$382,700 for a restaurant incubator. Due to the strict requirements of the grant application, the City was unsuccessful in obtaining an award.

Attached is the 2014 CDBG Application Funding Limits and Eligible Activities Chart. All eligible activities must meet at least one of the three National Objectives of the program listed below. (However, Urgent Need is not eligible under this NOFA.)

1. Benefit to low- and moderate-income persons; or,
2. Prevention or elimination of slums or blight, which is only allowed for Economic Development Activities; or,
3. Urgent Need, which is meeting other community development needs having a particular urgency because of existing conditions that pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs. (Urgent Need is not eligible.)

Each of the methods listed above is designed to document that households benefiting from CDBG eligible activities are at or below the State Department's annual published limits of eighty percent (80%) or less of county median income, adjusted for family size. The State's table of 2013 Income Limits is available at the following link:

http://www.hcd.ca.gov/fa/home/2013_Income_Limits-Effective_March_15.pdf.

Further, in documenting beneficiaries for senior citizen activities, the income levels are counted as follows:

- Seniors (over 62): If assistance is to acquire, construct, convert and/or rehabilitate a senior center, or to pay for providing senior services located at a senior citizen center, for reporting purposes, this group is considered Low/Mod (51 to 80% area median income (AMI)).
- Seniors (over 62): If assistance is for other public services exclusively for seniors that are provided away from a senior citizen center, this group is considered Very Low Income (31 to 50% AMI).

Since 2000, Lemoore has received approximately \$4,000,000 in CDBG funds, which have been used for the following projects – Antlers Hotel, Generations Daycare, Westside Water Tank, Lemoore Teen and Senior Centers, Curb-Cuts, a Microenterprise Façade Improvement Program and Public Improvements in Support of New Housing for Cinnamon Villas, as well as Planning and Technical Assistance Grants for a Senior Housing Needs and Reuse/Feasibility Study of the Antler Hotel, a Citywide Housing Study, a Medical Needs Assessment Study, and a Commercial Reuse Study.

Prior to applying for funding under the State's CDBG program, the City must first obtain input from local citizens and agencies that provide services to low income persons and families about possible projects and activities desired in Lemoore. Council can take into consideration all suggestions submitted and direct staff to pursue funding opportunities for the proposed projects and activities they select.

Applications for the 2014-2015 funding cycle are due April 11 and will be scored based on Need, Readiness, Jurisdictional Capacity/Past Performance and State Objectives. Kings Community Development Corporation (KCDC) has been selected by Council to apply for grant funding on the City's behalf and Alejandro Clark of KCDC will be present

during the Public Hearing to answer any questions you may have. Another Public Hearing is required prior to submitting the application.

Budget Impact:

None at this time.

Recommendation:

That the City Council open the Public Hearing to accept testimony and ideas for the Community Development Block Grant application. Following the Public Hearing, determine which activity(ies) the City should pursue and direct Kings Community Development Corporation to prepare the application and bring it back for an additional Public Hearing prior to submittal to the State.