

**CITY MANAGER'S REPORT
FEBRUARY 14, 2022 REGULAR CITY COUNCIL MEETING**

ITEM: PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIP ACT (HOME) PROGRAM ALLOCATIONS FOR FISCAL YEAR 2022/2023

RECOMMENDATION: Council to Consider the Following:

- 1. Hold a Public Hearing; and**
- 2. Adopt Resolution Recommending the Allocation of the CDBG and HOME Funds for FY 2022/2023 for consideration by San Joaquin County and the US Department of Housing and Urban Development (HUD)**

SUMMARY:

Each year the City of Lathrop (City) receives an allocation of Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) funds. Both programs are funded by the U.S. Department of Housing and Urban Development (HUD), and administered by San Joaquin County (COUNTY), under an Urban Cooperative Agreement between San Joaquin County and the cities of Escalon, Lathrop, Manteca, Ripon, and Tracy.

The County guidelines are in place to help meet the needs of the community and the requirements set forth by HUD. Important highlights of these guidelines are as follows:

- Multi-entitlement agencies must apply directly to San Joaquin County for both County and City funding.
- The minimum public service grant request for local organizations should be at least \$5,000.00.
- Cities will be recommending the local allocation of funds for final approval by the San Joaquin County Board of Supervisors and HUD.

For fiscal year 2022/2023, the City of Lathrop anticipates an allocation of \$92,952 in CDBG funds and \$30,506 in HOME funds. This number may increase or decrease depending on Federal Budget approvals. No more than fifteen percent (15%) of the allocated CDBG funds may be designated toward Public Service organizations with the remaining eighty-five percent (85%) designated toward Public/Capital Facility projects. HOME funds may be allocated to eligible program(s) administered by the County.

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City Council must conduct a public hearing to consider funding requests from eligible applicants, prior to finalizing recommendations of local CDBG and HOME funding allocations. Staff published a legal advertisement on December 23, 2021 to promote the availability of CDBG and HOME funds and to solicit eligible applicants. A second legal advertisement was published on January 21, 2022 to announce the public hearing date to consider CDBG and HOME funding allocations for FY 2022/2023.

Multi-entitlement agencies serve residents of multiple cities throughout the County, therefore these agencies are required to submit one application to San Joaquin County for individual local agency funding requests.

There were four (4) multi-entitlement agency applications submitted for CDBG Public Service’s funding, one (1) application was submitted directly to the City for consideration of a local Public Service grant, two (2) applications were received for a Public Facilities grants, and zero (0) applications were received for HOME funds.

The three-step process for allocating funds to identified local activities is referenced below:

- STEP 1. Allocate funding for the CDBG Public Service Organizations.
- STEP 2. Allocate funding for the CDBG Public/Capital Facility Projects.
- STEP 3. Allocate HOME funds to an eligible program administered by the County.

Staff recommends that the City Council consider the information provided at the public hearing, staff’s presentation, and Lathrop’s Scoring Committee’s proposed funding allocations for CDBG’s public service grants, public facility grants, and the HOME funds for fiscal year 2022/2023. City Council maintains sole discretion to accept staff’s recommendation or propose recommended funding allocations toward eligible applicant projects or services they deem in the best interest to meet community and resident needs.

BACKGROUND:

The City of Lathrop, in accordance with the Urban Cooperative Agreement with San Joaquin County, will make recommendations to allocate the anticipated amount of CDBG funds to Public Service organization(s), Public/Capital Facility project(s), and HOME funds as follows:

| | |
|---|--------------------|
| <u>CDBG</u> | |
| Public Service Awards (15%): | \$13,942.80 |
| Public/Capital Facility Projects (85%): | <u>\$79,009.20</u> |
| Total anticipated CDBG Allocation: | <u>\$92,952.00</u> |
| | |
| <u>HOME Funds</u> | |
| Total anticipated HOME Funds | <u>\$30,506.00</u> |

STEP 1: Allocate funds to Public Service Organizations

Multi-Entitlement Agencies:

Multi-entitlement agency applicants include San Joaquin County Department of Aging, Emergency Food Bank of Stockton/San Joaquin, San Joaquin Fair Housing, and Give Every Child a Chance (GECAC). Each of these organizations provide services within multiple cities throughout San Joaquin County, and have applied directly to the County through the one application process to request funding from the County and Cities for which they provide services.

The following summary describes the services provided to Lathrop residents by each of the multi-entitlement agency applicants and the amount requested by each organization:

San Joaquin Fair Housing **\$1,250**

The San Joaquin Fair Housing Board is designed to further fair housing in San Joaquin County. They achieve this by educating tenants and owners on all the Federal and State Fair housing laws accomplished through direct outreach, education, mediation and virtual workshops. It is important to note that this is a HUD mandated program, which requires each jurisdiction to provide their proportionate share of the anticipated expenditures by San Joaquin Fair Housing for the fiscal year. In other words, the \$1,250 is a requirement. The program expects to benefit approximately 1,995 Lathrop residents.

Give Every Child a Chance – Before/After School Programs **\$5,500**

Give Every Child a Chance (GECAC) is requesting funding for its “After School & Summer Mentor/Tutor Programs”, which offer a literacy based mentor/tutoring program at no charge to students in K-12th grade. Due to COVID, they have adapted to virtual and in-person sessions. Sites are open every day after school during the school year and a drop-in program is available during the summer. Classes for Lathrop are held at Lathrop Elementary School, Joseph Widmer School, Mossdale School, River Islands Technology Academy and a summer site at Our Lady Guadalupe Church. For FY 2022-23, GECAC anticipates providing services to 350 Lathrop children. The requested funds will be used to provide supplies and nutritious snacks for the students.

Emergency Food Bank – Mobile Farmer’s Market **\$1,500**

The Emergency Food Bank of Stockton/San Joaquin is requesting funding for its “Farm to Family Program & Mobile Farmers Market”, which provides access to fresh fruits and vegetables along with nutrition education to various underserved areas throughout San Joaquin County, free of charge.

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The programs are open to residents residing throughout San Joaquin County. In addition to its main pantry location, food is distributed through 82 additional sites (21 community partner pantries and 61 Mobile Farmer's Market sites). There are three Mobile Farmer's Market sites serving Lathrop for one day each month: Head Start, the Senior Center, and Our Lady of Guadalupe Church. The program expects to serve 989 residents of Lathrop.

SJC Department of Aging – Meals on Wheels **\$1,000**

The San Joaquin County Human Services Agency's Department of Aging & Community Services is requesting funding for its Home Delivered Meals Program "Meals on Wheels", which serves seniors throughout the county by delivering a package of five meals each week per person. The program targets to reduce social isolation and to promote better health by providing nutritional meals to homebound senior citizens. Mandated by the Older Americans Act, this program is administered through the Department of Aging. The requested funds will be utilized on operational costs associated with the procurement of meals, delivery, and other associated expenses. The program expects to benefit nine (9) senior residents of Lathrop.

Local Organizations:

Local organizations that serve and operate within specific jurisdictions are encouraged to apply directly to the Cities for CDBG grant funding. For FY 2022-23, the City received one local organization application.

The following summary describes the services provided by the applicant(s) to Lathrop residents and the amount of funding requested:

City of Lathrop (Parks & Recreation Department) **\$5,000**

The City of Lathrop's Parks & Recreation Department (PRD) offers an Activity Assistance Program designed to provide financial assistance to eligible low-income families and individuals who wish to participate in recreation services and activities. PRD services and activities may include before and after school programs, day camps, sports programs, and classes. Eligible individuals may use up to \$250 annually, but only 50% of the fees may be covered through the Activity Assistance Program; families must pay the remaining percentage. Due to the impacts of COVID-19, an application for CDBG funding was not submitted in FY 2021/22. The program expects to benefit 29 Lathrop residents.

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The Lathrop Ranking and Scoring Committee reviewed the applications and recommends allotment to each qualified public service organization as follows:

PUBLIC SERVICE ORGANIZATIONS ALLOTMENT SUMMARY

| Organization | Requested Amounts for FY 22/23 | Recommended Allotment for FY 22/23 |
|--|--------------------------------|------------------------------------|
| San Joaquin Fair Housing | \$1,250 | \$1,250.00 |
| Give Every Child a Chance (GECAC) | \$5,500 | \$5,192.80 |
| Emergency Food Bank of Stockton/San Joaquin | \$1,500 | \$1,500.00 |
| SJC Dept of Aging, Meals on Wheels | \$1,000 | \$1,000.00 |
| Lathrop Activity Assistance Program | \$5,000 | \$5,000.00 |
| TOTAL FUNDS | \$14,250.00 | \$13,942.80 |

STEP 2: Allocate Funds for Public/Capital Facility Project(s)

The City of Lathrop anticipates \$79,009.20 of CDBG funds to be available for eligible public/capital facility projects. Two applications were received, however, one was disqualified due to it not meeting the HUD requirement of a shovel-ready project.

An application was received by the City’s Public Works Department for additional funding towards the ADA accessibility improvements at City Hall which have increased in cost due to availability of materials and supplies, and an additional ADA improvement to meet closed caption requirements. A summary of the project and the amount requested are referenced below:

Lathrop City Hall – ADA Accessibility Improvements **\$129,250.00**

The City of Lathrop was awarded \$79,009.20 of FY 2021/22 CDBG grant funding for City Hall upgrades and improvements needed to comply with the requirements of the Americans with Disabilities Act (ADA). An additional allocation of funding was transferred from the unexpended remaining balance of the Senior Center Improvements project, completed in early 2021, for a total of \$82,300.61 available for the City Hall ADA Accessibility Improvements project, which at the time had an estimated cost of \$83,050.

Due to the nationwide supply chain issues and lack of available materials and supplies, the cost of the improvements have increased. The City’s Public Works Department is submitting this grant application to address the increase in costs and additional ADA improvements needed to meet closed-caption requirements. Total project costs are estimated at \$212,300, which includes ADA door upgrades, an ADA lift and other associated modifications in the Council Chambers, an ADA Kiosk in City

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Hall lobby, additional strike edge clearance, accessible surfacing to City Hall exterior Bulletin Board, and replacement of broadcasting equipment to enhance audio/video.

Lathrop City Hall was built in 2005, and the facility serves as a place for in-person accessibility to local government services for residents and the public. The seventeen-year old building is in need of upgrades and improvements to meet ADA standards. In accordance with the ADA Self-Evaluation and Transition Plan, City staff continues to work towards the removal of architectural barriers in public facilities and pathways. The upgrades and improvements will allow safe and improved access for people with disabilities to engage in services, programs, activities, and meetings conducted in City Hall, such as City Council, Planning Commission, Measure C Committee, Fire Department, etc.

STEP 3: Allocate Home Funds

The estimated HOME fund allocation for FY 2022-23 is \$30,506. The City of Lathrop participates in two eligible HOME Loan programs—the Homebuyer Down-Payment Assistance (GAP) and the Lathrop Housing Rehabilitation Program. Both programs provide low-interest loans for qualified low-income households. The City advertises these programs through the City website, Channel 97, and through flyers distributed at City Hall, Community Center, Senior Center and the library.

San Joaquin County administers the HOME fund applications, contracts, and program disbursements. According to County records, the current balance for the Lathrop Housing Rehabilitation program is \$119,367, which includes allocations from FY's 2018/2019, 2019/2020, 2020/2021, and 2021/2022. The GAP program has a balance of zero.

As of January 5, 2022, the County reported that the Lathrop Housing Rehabilitation program has assisted one (1) resident with one (1) more client on the waiting list. The Homebuyer Down Payment Assistance Program (GAP) has not been utilized for the past eight (8) years. Due to the rising cost of housing and a high-income ratio requirement to purchase a house, residents of San Joaquin County find it difficult to qualify for GAP.

Staff recommends all HOME Funds be allocated toward the Lathrop Housing Rehabilitation Loan Program.

RECOMMENDATION:

Staff recommends that the City Council consider the information given at the public hearing and during the staff presentation to make a funding recommendation to allocate the 2022/2023 fiscal year CDBG and HOME program funds as follows:

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- Step 1: Allocate CDBG funds to Public Service Organizations (\$13,942.80) as indicated on the Lathrop Scoring and Ranking Committee Recommendations (Attachment 2).
- Step 2: Allocate CDBG Public/Capital Facility funds (\$79,009.20) to the City of Lathrop for City Hall’s ADA Accessibility Improvements Project (CIP GG 22-04).
- Step 3: Allocate all HOME funds (\$30,506.00) to the Lathrop Housing Rehabilitation Loan Program administered by the County.

FISCAL IMPACT:

Staff time to review the applications, prepare this report, presentation and monitor and manage this program.

The County’s disbursement process requires the City to set up a separate account(s) to accommodate the CDBG reimbursement program. Because the applicant(s) have been awarded CDBG grants in the past, all necessary accounts are in place and funded according to this requirement. The only exception will be an increase in the revenue account to accommodate the Public Facilities award for City Hall’s ADA Accessibility Improvements Project through a budget adjustment for CIP GG 22-04.

Staff is requesting the following budget amendments to accommodate the CDBG FY 2022/2023 allocations for Public Service and Public Facility Grants:

Increase Revenues

| | | |
|---------------------|-----------------------------|----------|
| 2650-2010-333-01-02 | Intergov. Federal - CDBG CC | \$79,009 |
| 2700-3001-333-01-02 | Intergov. Federal – CDBG CC | \$5,000 |

Proposed Budget Amendment

| | | |
|---------------------|--|----------|
| 1010-9900-393-00-00 | CDBG Transfer In – Public Agency | \$5,000 |
| 2700-9900-99-90-10 | CDBG Transfer Out – Public Agency | \$5,000 |
| 2650-9900-990-90-10 | CDBG Fund Transfer Out – Public Agency | \$79,009 |
| 3010-9900-393-00-00 | Increase Transfer CIP GG 22-04 | \$79,009 |
| 3010-8000-420-12-00 | Increase Expense CIP GG 22-04 | \$79,009 |

GOALS ADVANCED BY THIS AGENDA:

The proposed Resolution promotes Public Safety by providing funding for those in need of assistance and support.

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ATTACHMENTS:

- A. Resolution Recommending the Allocation of the Community Development Block Grant and Home Investment Program Funds for FY 2022/2023.
- B. FY 2022/2023 – CDBG/HOME Grant Applications, Scoring and Ranking Committee Recommendations

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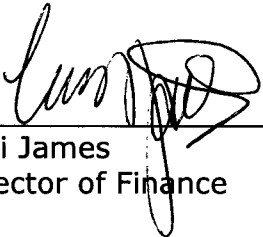
APPROVALS:



Shelley Burcham
Economic Development Administrator

2-3-2022


Date



Cari James
Director of Finance

2/1/2022

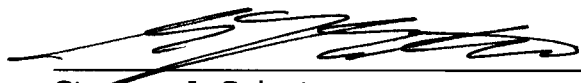
Date



Salvador Navarrete
City Attorney

2-3-2022

Date



Stephen J. Salvatore
City Manager

2-8-22

Date

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP RECOMMENDING THE ALLOCATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PROGRAM FUNDS FOR FISCAL YEAR 2022/2023

WHEREAS, the City anticipates it will receive an estimated allocation of \$92,952 for Community Development Block Grant (CDBG) and \$30,506 for the HOME Investment Program (HOME) for Fiscal Year (FY) 2022-2023; and

WHEREAS, the City of Lathrop has properly published a 30-day public notice of availability of funds for the programs in accordance with HUD regulations; and

WHEREAS, the City Council has determined in accordance with the California Environmental Quality Act, Article 18, Section 15273, that this item is categorically exempt because CEQA does not apply to the establishment or modification of HUD funding programs to public agencies which are to meet community needs; and

WHEREAS, the City Council conducted a duly noticed public hearing on February 14, 2022 to consider applications for CDBG and HOME Funds for FY 2022-2023, has considered the information given at the public hearing and during the staff presentation, and determines that the recommended allocations represent the community needs in Lathrop; and

WHEREAS, the recipients of CDBG funding are required to enter into an agreement with the City to ensure that funds are spent in accordance with HUD regulations.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop, does hereby recommend the following public service agencies and allocated amounts for funding in the Fiscal Year 2022/2023 for the CDBG program:

| <u>Public Service Organizations</u> | <u>Allocations</u> |
|---|--------------------|
| San Joaquin Fair Housing | \$ 1,250.00 |
| Give Every Child a Chance (GECAC) | \$5,192.80 |
| Emergency Food Bank of Stockton/San Joaquin | \$ 1,500.00 |
| SJC Dept. of Aging (Meals on Wheel) | \$ 1,000.00 |
| Lathrop Activity Assistance Program | \$ 5,000.00 |
| Total Allocation (15% of \$92,952) | <u>\$13,942.80</u> |

BE IT FURTHER RESOLVED that the City does hereby recommend allocating \$79,009.20 of the Public/Capital Facility funds to the City of Lathrop, City Hall's ADA Accessibility Improvement projects CIP GG 22-04; and

BE IT FURTHER RESOLVED that the City does hereby recommend allocating the \$30,506.00 HOME Program funds to the Lathrop Housing Rehabilitation Loan Program.

PASSED AND ADOPTED this 14th day of February 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SONNY DHALIWAL, MAYOR

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney



**FY 2022/2023 - CDBG/HOME GRANT APPLICATIONS
SCORING AND RANKING COMMITTEE RECOMMENDATIONS**

| A. PUBLIC FACILITY APPLICATIONS | | | FUNDING |
|--|-----------------------------|-----------------------|--------------------------|
| | | | AVAILABLE FUNDING |
| | | | \$79,009.20 |
| APPLICANT | PROGRAM | REQUEST | RECOMMENDATION |
| 1. City of Lathrop (PW) | ADA Improvements | \$129,250.00 | \$79,009.20 |
| 2. Chest of Hope | New Shelter/Office/Services | \$116,275.00 | Disqualified* |
| B. PUBLIC SERVICE APPLICATIONS | | | FUNDING |
| | | | AVAILABLE FUNDING |
| | | | \$13,942.80 |
| APPLICANT | PROGRAM | REQUEST | RECOMMENDATION |
| 1. City of Lathrop (PRD) | Activity Assistance Program | \$5,000.00 | \$5,000.00 |
| <i>Multi-City Agencies</i> | | | |
| 2. Emergency Food Bank of Stockton/San Joaquin | Mobile Farmers Market | \$ 1,500.00 | \$1,500.00 |
| 3. San Joaquin Fair Housing ¹ | HUD Mandated Services | \$1,250.00 | \$1,250.00 |
| 4. SJC Dept. of Aging | Meals on Wheels | \$1,000.00 | \$1,000.00 |
| 5. GECAC | After School Program | \$5,500.00 | \$5,192.80 |
| <i>TOTAL FUNDING REQUEST</i> | | \$14,250.00 | 13,942.80 |
| C. HOME FUNDS | | | FUNDING |
| | | | AVAILABLE FUNDING |
| | | | \$30,506.00 |
| PROGRAM | BALANCE | RECOMMENDATION | |
| GAP PROGRAM – DOWNPAYMENT ASSISTANCE | \$0.00 | \$0.00 | |
| HOUSING REHABILITATION PROGRAM | \$119,367.00 | \$30,506.00 | |

*Project not shovel ready.

NOTES:

- A) Public Facility Grant funding is the total CDBG allocation less 15% for Public Services. CDBG Allocation for FY 2022/2023 based on FY 2021/2022 final allocation numbers of \$92,952.00.
- B) Public Service Applications submitted directly to the City, if awarded, must be allocate a minimum award of \$5,000.00. Multi-County agencies who have applied through the County may be awarded less than the \$5,000 minimum and recommendations are up to the discretion of the Committee with Council have the final say on recommended amounts.
- C) HOME funds have been awarded toward the Housing Rehabilitation Program since 2018. There is a total of \$119,367 remaining in Lathrop's program. In Lathrop, one (1) rehab client was provided assistance and one (1) is on the waiting list. Note that the County has funded these awards and not yet used Lathrop's allocation. GAP Program – Downpayment Assistance is rarely used in the County due to the high price of homes and households not able to meet the income qualification to purchase a home.

¹ HUD mandated program, which requires each jurisdiction to provide their proportionate share of the anticipated expenditures by San Joaquin Fair Housing for the fiscal year.