



**Alternative Action(s):**

As the public hearing is required by the Citizen Participation Plan, staff does not recommend an alternative action.

**Analysis:**

*Background/Discussion*

The City began receiving CDBG funds in 1986. Altogether, CDBG grant entitlement funds to the City over the years total more than \$50 million. These funds have supported a wide variety of programs and activities that primarily benefit low- and moderate-income residents.

The City's investment of HUD grant resources is guided by the Consolidated Plan that is adopted by the City Council every five years. Each 2022-2023 application submitted for consideration by the Board, must address one of the Strategic Plan goals contained within the 2020-2024 Consolidated Plan. Staff verifies this as part of the threshold eligibility review prior to providing applications to the Board for evaluation. In evaluating applications for funding, HUD regulations require the following criteria to be considered: 1) level of need for the program or project in the community; 2) if there are neighborhoods or geographic areas of the City exhibiting a greater level of need than the City as a whole; 3) existing resources available to address the need; and 4) how the applicant organization is positioned to meet the need. The Board may also consider each applicant's capacity, experience, and previous performance when evaluating applications.

Pursuant to the Citizen Participation Plan, applications for CDBG public services programs are accepted from local nonprofit organizations, public organizations, and City departments. Public services programs address critical needs of the community for low- and moderate-income seniors, families, and individuals with disabilities. Per HUD regulations, public services activities are limited to 15 percent of the total grant award or approximately \$186,000.

*Funding Application and Evaluation Process*

The City's application deadline for CDBG funding for the 2022 Program Year was December 16, 2021. In all, the City received nine (9) applications totaling \$439,277 for CDBG public services funding. Housing staff has completed the process of reviewing all applications to determine eligibility under HUD program regulations. All eligible applications will be submitted to the CPAB prior to or at the January 20 CPAB meeting, for consideration at two public meetings, which are scheduled to occur on February 10 and March 15. At the first meeting, the Board will hear oral presentations from each applicant and have an opportunity to ask questions about the programs requesting funds. Subsequent to the presentations, the Board will deliberate and determine specific CDBG public services funding recommendations to the City Council. At the second meeting, the Board and City Council will hold a joint study session on March 15 to review the CPAB's proposed funding recommendations prior to the City Council considering approval of the funding recommendations at its April 19 meeting.

Administration of CDBG grants involves compliance with extensive federal recordkeeping and monitoring requirements by both the City and the organizations funded by the City. To most effectively use funds, staff recommends a minimum funding level of \$10,000 for each public services program.

**Public Participation**

The City is required to gather community input to identify and prioritize community needs as well as engaging

the public in understanding the process of deciding how best to use CDBG public services funds. Staff has disseminated information about the CDBG public services programs broadly throughout the community to ensure that the general public is informed and able to participate. Staff provides information about the CDBG funding on the City's website, publishes all required notices of available funding and public hearings, and conducts technical assistance meetings as requested on the CDBG program prior to the start of the application process.

The Notice of Funding Availability for CDBG public services program was issued on November 11, 2021 (CPAB Attachment 1), and applications were due on Friday, December 16, 2021.

The following schedule outlines the next steps to complete the annual CDBG public services funding allocation process. This schedule will allow the Board and the City Council time to review all eligible applications and carefully consider all public input during the process:

- February 10, 2022: Board hears oral presentations from applicants and determines funding recommendations.
- February 24, 2022: Board finalizes funding recommendations for the City Council (IF MEETING NEEDED)
- March 15, 2022: City Council and CPAB joint study session meeting
- April 19, 2022: City Council considers CDBG public services funding recommendations to be incorporated in the 2022-2023 Annual Action Plan that serves as the application to HUD for grant funding.
- May 13, 2022: 2022-2023 Annual Action Plan due to HUD
- July 1, 2022: 2022 Program Year begins

**Strategic Plan Goal:**  
Community Engagement

**Attachment(s):**  
1. 2022-2023 CDBG Notice of Funding Availability