



## REPORT TO CITY COUNCIL

**To:** Honorable Mayor and Members of the City Council

**From:** Jason Simpson, City Manager

**Prepared by:** Brendan Rafferty, Interim Assistant Administrative Services Director

**Date:** November 8, 2022

**Subject:** Community Development Block Grant (CDBG) Allocation for the Fiscal Year 2023-2024 and Community Support Allocation (CSA) for the Fiscal Year 2022-2023

### **Recommendation**

1. Adopt the Community Development Block Grant (CDBG) Program for Fiscal Year 2023-2024;
2. Approve the submittal of the City's program to the County of Riverside; and
3. Approve allocation of Community Support Funds.

### **Background**

Each year the City of Lake Elsinore receives an allocation of Community Development Block Grant (CDBG) funds. These allocations are based on population and are designed to assist low- and moderate-income residents and areas.

On June 23, 2020, the City Council renewed its Joint-Recipient Cooperation Agreement (Metropolitan Cities Agreement) with the County of Riverside. Participation in the Joint-Recipient Cooperation Agreement allows the City of Lake Elsinore to receive its portion of funds allocated by HUD minus a thirteen percent (13%) administration fee by the County of Riverside.

To qualify for funding, eligible projects must primarily benefit low and moderate-income persons, prevent or eliminate slums and blight, or meet a need having a particular urgency. The County of Riverside Housing, Homelessness Prevention, and Workforce Solutions (HHPWS) has stated that "To ensure the effective, efficient, and appropriate allocation and use of the County's CDBG funding, the County may reject any proposed cooperating city CDBG activity in an amount less than \$10,000." The only exceptions to this policy include traditionally county-wide activities (city/county, multiple cities, etc.) or a project or activity serving a very remote location.

On August 27, 2022, a Notice of Funding Availability was published and e-mailed to previously funded organizations and other interested persons. Additionally, this notice was published on the City's website along with information regarding the City's Community Support Funding

Program. The organizations were instructed to submit their applications for Community Support Funds along with their CDBG applications, due on October 14, 2022.

On October 14, 2022, the City received seven (7) applications for CDBG Funds and five (5) applications for Community Support Funds. Attached is a list of current and past CDBG and Community Support Funding allocations.

### **Discussion**

For the Fiscal Year 2023-2024 funding program, the City hopes to receive approximately \$596,000, slightly less than the total awarded to the City for the Fiscal Year 2022-2023 of \$598,492. It should be noted that this amount is an estimate, and the actual amount of CDBG funds received by the City could fluctuate depending on how the United States Congress approves the national budget.

Based on an allocation of \$596,000 and CDBG requirements, thirteen percent (13%) or \$77,480 would be required by the County of Riverside for administrative costs. Additionally, the City can earmark a maximum of seven percent (7%) or \$41,720 towards CDBG program administration costs and fifteen percent (15%) or approximately \$89,400 towards public service programs.

However, to maximize the amount of CDBG funds available for the City projects, the Staff proposes to use none of the CDBG funds for the City's administrative costs. This will allow a balance of \$429,120 for the following City project:

1. City Park Improvements (\$429,120). The proposed project uses CDBG funds to make much-needed improvements to City Park, located at 243 S. Main Street.

As of the filing deadline of October 14, 2022, the City received seven (7) outside public service agency applications for a total requested allotment of \$358,627.

The agencies requesting funds are as follows:

1. Assistance League of Temecula Valley (\$50,000). The agency is located in Temecula, and the organization's Operation School Bell provides clothing and shoes to disadvantaged children in the Murrieta, Lake Elsinore, Menifee, and Temecula School Districts. The requested CDBG funds would be used to serve children in Lake Elsinore.
2. Boys and Girls Club of Southwest Riverside County (\$10,000). Located in Lake Elsinore, the organization is requesting funds for Boys & Girls Club Program Scholarships for before and after school programming and transportation to serve underserved youth in the City of Lake Elsinore. The activities are provided at the Boys and Girls Club's Clubhouse located at 16275 Grand Avenue in the City of Lake Elsinore
3. Helping Our People in Elsinore, Inc. (H.O.P.E) (\$60,000). Located in Lake Elsinore, the organization requests funds for its Pantry Program, which distributes a balanced menu of groceries to low-income families, seniors, and individuals in Lake Elsinore and the surrounding communities.
4. Michelle's Place (\$10,000). Located in Temecula, the organization is requesting funds to offset the cost of patient navigators that provide one on one support to clients newly diagnosed or currently going through cancer.

5. Vista Community Clinic (\$23,425). This organization's request for CDBG funds to meet the costs of a Certified Enrollment Counselor who links uninsured low-income residents of Lake Elsinore to health insurance and a medical/dental home, thereby providing access to comprehensive healthcare services. Services would be provided at Vista Community Clinic's health center at 30195 Fraser Drive.
6. WeeCare, Inc. (\$192,000). Located in Los Angeles, this organization will provide its tools and services at no cost for one year to 32 licensed Family Child Care Home (FCCH) providers within the City of Lake Elsinore. These tools and services help expand economic opportunities for the microenterprise FCCH providers and the low-moderate income families they serve.
7. Western Eagle Foundation (\$10,000). Located in Temecula, this organization requests CDBG funds to purchase food through food brokers and distribution centers to fill food boxes for daily pickup by partnering with non-profit agencies.

The total amount of CDBG funds available is only 25% of the total amount requested. While the County prefers the minimum allocation to be \$10,000, as described above, Staff contacted the County to make an exception for FY 2023-2024 Program Funds. Staff is recommending the funding for "Public Service Programs" that allocate only the available funds. A breakdown of CDBG funding requests and proposed allocations for the Fiscal Year 2023-2024 are reflected in the following table.

#### FY 2023-2024 CDBG Program Year – Proposed Allocation

| Agency   | Requested Amount | 2023-2024 Proposed Allocation | 2022-2023 Allocation |
|--|------------------|-------------------------------|----------------------|
| <b>PUBLIC SERVICE PROGRAMS</b>                 |                  |                               |                      |
| Assistance League of Temecula Valley           | \$50,000         | \$26,400                      | \$27,400             |
| Boys & Girls Club of Southwest County          | \$10,000         | \$8,000                       | \$10,000             |
| Helping Our People in Elsinore, Inc. (H.O.P.E) | \$60,000         | \$29,000                      | \$30,000             |
| Michelle's Place                               | \$10,000         | \$5,000                       | \$0                  |
| Vista Community Clinic                         | \$24,127         | \$21,000                      | \$22,000             |
| WeeCare  | \$192,000        | \$0                           | \$0                  |
| Western Eagle Foundation                       | \$10,000         | \$0                           | \$0                  |
| <b>Subtotal</b>                                | <b>\$358,627</b> | <b>\$89,400</b>               | <b>\$89,400</b>      |
| <b>PUBLIC FACILITY PROJECT</b>                 |                  |                               |                      |
| Public Facility Improvements                   | \$429,120        | \$429,120                     | \$431,287            |
| <b>Subtotal</b>                                | <b>\$429,120</b> | <b>\$429,120</b>              | <b>\$431,287</b>     |
| <b>ADMINISTRATIVE COSTS</b>                    |                  |                               |                      |
| Riverside County EDA                           | \$77,480         | \$77,480                      | \$77,805             |
| <b>Subtotal</b>                                | <b>\$77,480</b>  | <b>\$77,480</b>               | <b>\$77,805</b>      |
| <b>GRAND TOTAL</b>                             | <b>\$865,227</b> | <b>\$596,000</b>              | <b>\$598,492</b>     |

As of the filing deadline of October 14, 2022, the City received four (4) Community Support Funding applications for a total requested allotment of \$25,000.

The agencies requesting funds are as follows:

1. Trauma Intervention Program (\$10,000). Located in Murrieta, this agency provides emotional first aid to survivors of the tragedy to ease their immediate suffering and facilitate their healing and long-term recovery.
2. Salvation Army (\$5,000). Located in Temecula, this organization provides school-age children with a back-to-school shopping spree with the clothing and supplies they need to start school.
3. Helping our People in Elsinore, Inc. (\$5,000). Located in Lake Elsinore, the Pantry Program distributes a balanced menu of groceries to low-income families, seniors, and individuals in Lake Elsinore and the surrounding communities.
4. Boys and Girls Club of Southwest County (\$5,000). Located in Murrieta, the Ultimate STEM/Computer science program provides technology and access to computers for youth. Through various activities, youth participate in web exploration, media production, robotics, coding, and more.
5. Assistance League of Temecula Valley (\$5,000). The agency is located in Temecula, and the organization's Operation School Bell provides clothing and shoes to disadvantaged children in the Murrieta, Lake Elsinore, Menifee, and Temecula School Districts. The requested CDBG funds would be used to serve children in Lake Elsinore.

A breakdown of Community Support funding requests and proposed allocations for the Fiscal Year 2022-2023 are reflected in the following table.

| <b>Agency</b>                        | <b>Requested Amount</b> | <b>2022-2023 Proposed Allocation</b> | <b>2021-2022 Allocation</b> |
|--------------------------------------|-------------------------|--------------------------------------|-----------------------------|
| Trauma Intervention Program          | \$10,000                | \$10,000                             | \$10,000                    |
| Salvation Army                       | \$5,000                 | \$5,000                              | \$0                         |
| Helping our People in Elsinore, Inc. | \$5,000                 | \$5,000                              | \$0                         |
| Boys and Girls Club                  | \$5,000                 | \$5,000                              | \$0                         |
| Assistance League of Temecula Valley | \$5,000                 | \$5,000                              | \$5,000                     |
| <b>GRAND TOTAL</b>                   | <b>\$30,000</b>         | <b>\$30,000</b>                      | <b>\$15,000</b>             |

The above recommendations have been shared with the City Council's Budget Subcommittee.

**Fiscal Impact**

As indicated above, the City of Lake Elsinore's CDBG allocation is anticipated to be \$596,000 for the 2023-2024 Fiscal Year. These funds will be available on or about July 1, 2022.

\$30,000 is available in the General Fund for Community Support Funding in the Community Support Budget.

**Exhibits:**

A - Summary Matrix of Public Service Requests with Past Awards (CDBG)

B - Summary Matrix of Community Support Funding Requests with Past Awards

C - FY 2023-2024 CDBG Funding Application - Assistance League of Temecula Valley

D - FY 2023-2024 CDBG Funding Application – Boys and Girls Club of Southwest County

E - FY 2023-2024 CDBG Funding Application - Helping Our People in Elsinore, Inc. (H.O.P.E)

F - FY 2023-2024 CDBG Funding Application – Michelle's Place

G - FY 2023-2024 CDBG Funding Application - Vista Community Clinic

H - FY 2023-2024 CDBG Funding Application – WeeCare

I - FY 2023-2024 CDBG Funding Application – Western Eagle Foundation

J - FY 2022-2023 Community Support Funding Application – Assistance League of Temecula Valley

K - FY 2022-2023 Community Support Funding Application – Boys and Girls Club of Southwest County

L - FY 2022-2023 Community Support Funding Application – H.O.P.E.

M - FY 2022-2023 Community Support Funding Application – Salvation Army

N - FY 2022-2023 Community Support Funding Application – Trauma Intervention Program