



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Grant Yates, City Manager

Prepared by: Brendan Rafferty, Fiscal Officer

Date: October 24, 2017

Subject: Community Development Block Grant (CDBG) Allocation and Community Support Program for Fiscal Year (FY) 2018-2019

Recommendation

Adopt the CDBG Program for FY 2018-2019; and direct staff to submit the application.

Background

Each year the City of Lake Elsinore City receives an allocation of CDBG funds. These allocations are based on population and are designed for assistance to low and moderate-income residents and areas.

On June 27, 2017, the City Council (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 to receive its portion of funds allocated by HUD, minus a 12 percent administration fee by the County of Riverside. The 2018-2019 Fiscal Year will be the first of the three fiscal years covered by the renewed Metropolitan Cities Agreement.

To qualify for funding, eligible projects must largely benefit low and moderate-income persons, prevent or eliminate slums and blight, or meet a need having a particular urgency. Economic Development Agency has stated that "In order 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 city, etc.) or a project or activity serving a very remote location.

On September 19, 2017, staff held a public meeting at City Hall for prospective organizations requesting CDBG funds. Notice of the public meeting was e-mailed to previously funded organizations and other interested persons on September 8, 2017, was published in the Press-Enterprise on September 8, 2017 and was posted on the City's web site. The organizations represented by persons attending the public meeting were the Assistance League of Temecula Valley, Studio 395, Helping Our People in Elsinore, Inc. (H.O.P.E), Rancho Damacitas, Vista Community Clinic, Boys and Girls Club of Southwest County, Dream Center Lake Elsinore and COPS for Kids. Staff met individually with representatives of Habitat for Humanity Inland Valley.

At the meeting, City staff also encouraged the organizations to apply to 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 6, 2017.

On October 6, 2017, the City received a total of five applications for CDBG Funds and one application for Community Support Funds. Two organizations that received CDBG funding in the past, did not apply for 2018-2019 CDBG Funds. A list of past CDBG and Community Support Funding allocations is attached.

Discussion

For the FY 2018-2019 funding program, the City hopes to receive approximately \$454,335 which is slightly less than the total that was awarded to the City for FY 2017-2018 of \$468,408. 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 \$454,335 and CDBG requirements, 12 percent or \$54,520 would be required by the County of Riverside for administrative costs. Additionally, the City can earmark a maximum of 8 percent or \$36,347 towards CDBG program administration costs and 15 percent or approximately \$68,150 towards public service programs.

However, in order to maximize the amount of CDBG funds available for the City projects, Staff is proposing to use none of the CDBG funds for the City's administrative costs. This will allow a balance of \$331,665 for the following City project:

1. Road and Sidewalk Improvements – Various Locations (\$331,665). The proposed project involves the use of CDBG funds in conjunction with street maintenance funds. These funds will be used to rehabilitate roads and/or construct sidewalks, curbs and bus shelters at various locations in the downtown area.

As of the filing deadline of October 6, 2017, the City received five outside public service agency applications for a total requested allotment of \$130,000.

The agencies requesting funds are as follows:

1. Assistance League of Temecula Valley (\$25,000). 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 service 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 Alberhill Ranch Clubhouse located at 3711 Nichols Road in the City of Lake Elsinore
3. Helping Our People in Elsinore, Inc. (H.O.P.E) (\$50,000). Located in Lake Elsinore, the organization is requesting funds for its Pantry Program that distributes a balanced menu of groceries to low income families, seniors and individuals in Lake Elsinore and the surrounding communities.

4. Habitat for Humanity Inland Empire (\$25,000). Serving Lake Elsinore residents, Habitat for Humanity Inland Valley requesting funds for it's the Critical Home Maintenance & Repairs Program to provide major and minor home repair and maintenance services for low to moderate income families, seniors and veterans.
5. Vista Community Clinic (\$20,000). 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.

The total amount of CDBG funds available is only 52.4 percent of the total amount requested. Additionally, as described above, the minimum allocation has been set at \$10,000 by County EDA. For these reasons, staff is recommending the funding for "Public Service Programs" that allocates only the available funds. A breakdown of CDBG funding requests and proposed allocations for FY 2018-2019 are reflected in the following table.

FY 2018-2019 CDBG Program Year – Proposed Allocation

Agency	Requested Amount	2018-2019 Proposed Allocation	2017-2018 Allocation
PUBLIC SERVICE PROGRAMS			
Assistance League of Temecula Valley	\$25,000	\$15,000	\$15,000
Boys and Girls Club of Southwest Riverside County	\$10,000	\$10,000	\$10,000
Helping Our People in Elsinore, Inc. (H.O.P.E)	\$50,000	\$18,150	\$18,150
Habitat for Humanity Inland Valley	\$25,000	\$10,000	\$10,000
Vista Community Clinic	\$20,000	\$15,000	\$15,000
Subtotal	\$130,000	\$68,150	\$68,150
PUBLIC FACILITY PROJECT			
Road and Sidewalk Improvements	\$331,665	\$331,665	\$331,665
Subtotal	\$331,665	\$331,665	\$331,665
ADMINISTRATIVE COSTS			
Riverside County EDA	\$54,520	\$54,520	\$54,520
Subtotal	\$54,520	\$54,520	\$54,520
GRAND TOTAL	\$516,185	\$454,335	\$454,335

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 \$454,335 for the 2018-2019 Fiscal Year. These funds will be available on or about July 1, 2018.

There is \$40,000 available in the General Fund for Community Support Funding in the Community Support Budget.

Exhibits:

- A. Summary Matrix of Public Service
- B. Summary Matrix of Community Support
- C. Assistance League of Temecula Valley
- D. Boys and Girls Club
- E. Helping Our People in Elsinore, Inc. (H.O.P.E)
- F. Habitat for Humanity Inland Empire
- G. Vista Community Clinic
- H. Community Support Funding Application – Vista Community Clinic