



Legislation Text

File #: 24-040, **Version:** 1

Motion to Approve FY 2024-2025 Community Development Block Grant (CDBG) Program Annual Action Plan and FY 2024-2025 CDBG Funding Allocations

COUNCIL PRIORITY

- Housing and Homelessness
- Race and Equity Initiatives
- Community and Business Development

SUMMARY

The United States Department of Housing and Urban Development (HUD) annually allocates grants such as CDBG, Home Investment Partnerships Program (HOME), Housing Opportunities for People with AIDS (HOPWA), and Emergency Shelter Grants (ESG) to local jurisdictions for community development activities. San Leandro is one of ten entitlement jurisdictions within Alameda County. Jurisdictions typically must have a population of 50,000 or more to qualify as an entitlement jurisdiction that receives grant funding directly from HUD. Entitlement grants are largely allocated on a formula basis, based on several objective measures of community needs, including the extent of poverty, populations, housing overcrowding, age of housing, and extent of population growth lag in relationship to other metropolitan areas. As a requirement to receive these entitlement grants, Title I of the National Affordable Housing Act mandates that jurisdictions prepare a five-year Consolidated Plan, Annual Action Plan, and Consolidated Annual Performance Evaluation and Report (CAPER) that identifies local community development needs and sets forth a strategy to address these needs. The 2020-2024 Consolidated Plan was adopted by City Council on June 15, 2020. CDBG funding amounts will be reduced or increased proportionately for FY 2024-2025 based on the final HUD allocation formula and City Council approval.

RECOMMENDATIONS

Staff recommends that the City Council approve, by motion, the FY 2024-2025 CDBG Annual Action for submission to HUD by the deadline and adopt the FY 2024-2025 CDBG Funding Allocations (Attachment C).

BACKGROUND

2024-2025 CDBG Annual Action Plan

The FY 2024-2025 Annual Action Plan (Attachment A) is a one-year plan that describes the eligible activities that the City intends to undertake in FY 2024-2025 (July 1, 2024 - June 30, 2025) to address the needs and implement the strategies identified in the adopted 2020-2024 Consolidated Plan. The Annual Action Plan describes the activities that the City intends to fund to address priority housing and non-housing community development needs and to affirmatively further fair housing

choice. The draft FY 2024-2025 Annual Action Plan will be updated and finalized as needed prior to submission to HUD.

The City is part of the Alameda County HOME Consortium and is required to submit the Annual Action Plan to HUD along with the County by the May 15, 2024 deadline. The County intends to submit the Annual Action Plan after approval from each of the HOME Consortium members by the deadline.

2024-2025 CDBG Funding

The City has not yet received notification from HUD for its FY 2024-2025 CDBG funding allocation. Based on FY 2023-2024, the City estimates receiving a CDBG allocation of \$808,949 for FY 2024-2025. The City anticipates using \$102,301 in prior year unexpended funds. Between the FY 2024-2025 entitlement grant and prior year unexpended funds, the City will have a total of approximately \$911,250 of CDBG funds to utilize.

As noted earlier, CDBG funding amounts will be reduced or increased proportionately for FY 2024-2025 based on the final HUD allocation formula and City Council approval. In addition, the City put into place a CDBG Contingency Plan (Attachment B) in the event that the City receives more or less funding from HUD.

FY 2024-2025 CDBG Budget (est.)	
Entitlement Amount	\$808,949
Prior Year Unexpended Funds (23-24)	\$102,301
Total	\$911,250
Program Administration (20%)	\$161,790
Public Service (15%)	\$121,342
Public Facilities & Improvements (65%)	\$628,118
Total	\$911,250

CDBG Administration

Of the total anticipated entitlement amount, a total of \$161,790 has been allocated to Program Administration available for staff and consultant costs. Funding allocations are noted in the table below.

FY 2024-2025 CDBG Administration (est.)	
City of San Leandro	\$141,790
ECHO Housing-Fair Housing S	\$20,000
Total	\$121,342

2024-2025 CDBG Public Service Funding Allocations

Of the total anticipated entitlement amount, a total of \$121,342 has been allocated to eligible public service activities. Public service activities must benefit very low- and low-income households. This is the second year of the City's FY 2023-2025 Community Assistance Program (CAP) two-year funding cycle. Funding allocations are noted in the table below.

FY 2024-2025 CDBG Public Services (est.)	
CALICO- Child Abuse Intervention	\$22,000
Davis Street Family Resource Center Program	\$30,000
Service Opportunities for Seniors, Wheels- Meal Delivery to Homebound	\$39,000
Spectrum- San Leandro Senior Nutrition	\$30,342
Total	\$121,342

2024-2025 CDBG Public Facilities & Improvements Funding Allocations

In FY 2024-2025, the City does not intend to fund any CDBG Public Facilities and Improvements projects. The City will use eligible CDBG funds for Section 108 debt service. The HUD Section 108 Loan Program was used to fund the construction of the Senior Community Center. Due to the closure of the Rebuilding Together Oakland / East Bay program in March 2024, the City will study a new Housing Rehabilitation Program in FY 2024-25.

FY 2024-2025 CDBG Public Facilities & Improvements (est.)	
Section 108 Debt Service	\$628,118
Total	\$628,118

SUMMARY OF PUBLIC OUTREACH EFFORTS

HUD regulations require the City to post the Annual Action Plan for public comment for thirty days. The City posted the document for greater than the required thirty days: March 28 - May 1, 2024. The City did not receive any public comments.

ENVIRONMENTAL REVIEW

Not applicable.

FINANCIAL IMPACTS

Sufficient funding will be available and budgeted for FY 2024-2025 CDBG funding allocations. CDBG programs/projects are funded by annual federal HUD grant funding.

ATTACHMENTS

Attachment A: FY 2024-25 CDBG Annual Action Plan

Attachment B: Resolution 2024-021 (CDBG Contingency Plan)

Attachment C: FY 2024-25 CDBG Funding Allocations

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