



Legislation Text

File #: 20-285, **Version:** 1

Staff Report for a City of San Leandro City Council Resolution to Approve a Loan totaling \$143,725 in Federal Community Development Block Grant Program Funds to Assist Building Futures for Women and Children with the Rehabilitation of the San Leandro Shelter located at 501 Davis Street.

SUMMARY AND RECOMMENDATIONS

At a public hearing on May 6, 2019, the FY 2019-2020 Annual Action Plan (AAP) for the U.S. Department of Housing and Urban Development (HUD) was adopted by the City Council. In this plan, City Council approved the allocation of \$143,725 in available CDBG funds for the rehabilitation of the Building Futures for Women and Children (BFWC) San Leandro Shelter building. BFWC is now ready to begin renovation of the San Leandro Shelter, which is a 30-bed homeless shelter located on the grounds of St. Leander Catholic Church in San Leandro. The goals of this current capital project are to improve the program's accessibility for residents with mobility impairments, to enhance the safety of the facility, to protect and extend the life of the structure and to increase the quality of life of the shelter's occupants .

Staff recommends that the City Council approve the resolution approving a loan totaling \$143,725 in Federal CDBG funds to assist Building Futures for Women and Children with the Rehabilitation of the San Leandro Shelter located at 501 Davis Street.

BACKGROUND AND ANALYSIS

For over 30 years, Building Futures has helped thousands of women and children who come to the San Leandro Shelter to build new lives after homelessness and family violence. BFWC's main service is to shelter and support homeless women and children in a safe and welcoming environment, address the barriers they face to being safely and stably housed, and connect them with housing. The shelter serves about 100 women and children each year, in about 60 households; 40% are children.

City funding will be used to renovate and replace the exterior ramp, stairs and entryway landing; to rebuild four bathroom shower stalls and subfloors, including the ADA shower stall; and, to replace the floors in the common area.

Staff proposes that the City Council provide the \$143,725 to BFWC as a forgivable loan. The interest rate for the loan will be 3% and the loan term will be 10 years. As long as BFWC complies with all the loan agreement's terms and CDBG regulatory requirements, one tenth (1/10) of each loan will be forgiven each year. After the 10-year period, as long as there is no uncured breach, the loan and accrued interest will be forgiven. If BFWC defaults or fails to cure after notice of any breach of the loan's covenants or conditions, the City has various remedies, including specific performance, and acceleration of the loan payments, among others.

Current Agency Policies

HUD Five Year Consolidated Plan for 2015-2020: This five-year plan was adopted by Resolution No. 2015-080 on April 20, 2015. One of the priorities identified in this document for Community Development Block Grant (CDBG) expenditures is “Non-Housing Community Development Projects.” HUD requests that cities identify specific action areas where CDBG funds can be spent. In “Actions Planned to Develop Institutional Structure” staff named capital improvement projects conducted by area non-profit organizations that provide social services as a priority area that CDBG funds could support.

Previous Actions

The City Council allocated these funds as part of the Fiscal Year 2019-2020 budget. The HUD FY 2019-2020 Annual Action Plan was adopted on May 6, 2019 by the City Council.

Environmental Review

A National Environmental Protection Act (NEPA) review was conducted. It found this project to be in compliance with NEPA.

Legal Analysis

The City Attorney’s Office reviewed and approved the staff report and resolution. In close coordination with staff, the City Attorney’s Office drafted the loan agreements, and promissory notes.

Fiscal Impacts and Budget Authority

The City of San Leandro has committed \$143,725 to the BFWC San Leandro Shelter Capital Improvement Project in Fiscal Year 2019-20. This is funded by the City’s Community Development Block Grant entitlement funds currently available in Account 165-43-135-5240 to be carried over into the new Fiscal Year 2020-21.

ATTACHMENT

Attachment to the Staff Report

- None

Attachment to the Resolution

- CDBG Loan Agreement Between the City of San Leandro and Building Futures for Women and Children

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