



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: Chief Planner Lynn Burgess
MEETING DATE: March 19, 2008
SUBJECT: Public Hearing to consider an application for \$450,000 to the Community Development Block Grant (CDBG) Program for city-wide housing rehabilitation and a public improvement project under the General allocation component.

RECOMMENDATION:

After holding a public hearing adopt Resolution approving an application for funding from the General allocation component of the CDBG program and authorizing execution of the grant agreement.

DISCUSSION:

Note: The lengthy grant application (140 pages) is not included in your packets, but is available for review at City Hall, the Community Development Department, and the Library. A copy will be provided to you upon request.

At the January 10, 2008 (continued to the February 14, 2008) Housing Committee meeting a public hearing was held to obtain input regarding the 2008/2009 Community Development Block Grant Program funding cycle. The ideas from that meeting have been discussed with our representative from the Department of Housing and Community Development (HCD). Based upon the information received from the HCD staff and upon review of the grant criteria we have developed a \$450,000 application to help fund our Housing Rehabilitation Loan Program.

Should this application be successful it would provide much needed funding to the Housing Rehabilitation Loan Program for the next 2.5 fiscal years. It is anticipated that the grant would fund approximately 6 rehabilitation loans to low and very low-income households. The grant program also allows jurisdictions to apply for a non-competitive 10% set-aside activity. The most viable project for the City to apply for is a Curb Ramp Project which would be carried out by city staff.

Ratings. The State's rating criteria is **heavily weighted in favor of communities with high poverty levels, overcrowding,** etc. Many of the 1000 rating points are completely based on Census data criteria, of which we have no control. Historically, this criterion has given our community little chance for competitive rankings, so we have learned to take every opportunity to tailor our applications to the criteria and objectives over which we have control. Our strengths are the age of our housing stock, our 23-year history administering a housing

rehabilitation loan program, our readiness to put loans out to the community, high performance evaluations with previous CDBG grants, and the fact that our current Rehabilitation Program incorporates green building/energy efficiency criteria.

Use of Funds. Allocation of the \$450,000 will be done in accordance with HCD guidelines as follows:

\$ 33,750	General Administration (7.5% of total grant)
41,625	Removal of Architectural Barriers from Sidewalks (Up to 10% for public improvement project set-asides)
71,178	Activity Delivery
<u>303,447</u>	Rehabilitation Loans
\$ 450,000	Total Grant

Public Leverage. To receive maximum points for public leverage, we need to provide a substantial amount of matching funds, services and fee waivers. Our proposed City cash match is \$73,750 from the Housing Fund for loans. The \$11,250 for General Administration is the maximum allowed for City’s administrative staff contribution. Planning and building permit fee waivers for the loans are estimated at \$15,000.

Private Leverage. We estimate that \$12,000 of private leverage is necessary to receive maximum points. The loan program has received a fee reduction commitment from Old Republic Title Company, accounting for an estimated savings of \$1,800; the Pacific Grove Hometown Bulletin has agreed to advertising discounts estimated at \$1,150 and, Wells Fargo bank is currently considering a \$10,000 grant. All of these commitments help to enhance our leverage rating.

Other. Our Rehabilitation Loan Program policies were reviewed in 2005 and found to be in compliance with CDBG regulations. We intend to once again review our policies upon receipt of grant approval.

The Housing Committee held a special meeting on February 28, 2008 for the purpose of reviewing this grant application. The Committee voted 6-0 to recommend that the City Council adopt a resolution approving this grant application as proposed.

FISCAL IMPACT:

\$73,750 from the Housing Fund over the next 2.5 fiscal years.

ATTACHMENTS:

Notice of Public Hearing, Resolution

RESPECTFULLY SUBMITTED:

Lynn Burgess, AICP
CHIEF PLANNER

REVIEWED BY:

James J. Colangelo

Digitally signed: I have reviewed this document

James J. Colangelo
CITY MANAGER

RESOLUTION NO. _____

A RESOLUTION APPROVING AN APPLICATION AND CONTRACT EXECUTION FOR FUNDING FROM THE GENERAL ALLOCATION OF THE STATE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND AUTHORIZING THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO WITH THE STATE OF CALIFORNIA FOR THE PURPOSES OF THIS GRANT

BE IT RESOLVED by the City Council of the City of Pacific Grove as follows:

SECTION 1. The City Council has reviewed and hereby approves an application for up to \$450,000 for city-wide housing rehabilitation loans and a 10% set aside activity to remove architectural barriers from city sidewalks. The funds will be used as follows:

- \$ 303,447 Housing Rehabilitation Loans
- \$ 71,178 Housing Rehabilitation Activity Delivery
- \$ 41,625 Curb Cut Project
- \$ 33,750 General Administration

SECTION 2. The City Council has determined that federal Citizen Participation requirements were met during the development of this application.

SECTION 3. The City Council hereby approves the use of Housing Funds and General Funds in the amount of \$100,000 to be used as the City's leverage for this application.

- \$ 73,750 Loans for Housing Rehabilitation
- \$ 11,250 Staff Time-General Administration
- \$ 15,000 Permit Fee Waivers

SECTION 4. The City Manager is hereby authorized and directed to act on the City's behalf in all matters pertaining to this application.

SECTION 5. If the application is approved, the Mayor is authorized to enter into and sign the grant agreement and any amendments thereto with the State of California for the purposes of this grant.

SECTION 6. If the application is approved, Director of Management and Budget is authorized to sign Funds Requests and other required reporting forms.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this ____ day of _____, 2008 by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

DANIEL E. CORT, Mayor

ATTEST:

CHARLENE WISEMAN, City Clerk

APPROVED AS TO FORM:

DAVID LAREDO, City Attorney



CITY OF PACIFIC GROVE NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City of Pacific Grove will conduct a public hearing by the City Council on Wednesday, March 19, 2008, at 6:00 p.m. at the City Hall Council Chambers, 300 Forest Avenue, to discuss the Fiscal Year 2008-09 Community Development Block Grant (CDBG) General Allocation application and to solicit citizen input.

The Community Development Department on behalf of the City of Pacific Grove is applying for a grant amount of up to \$450,000 under the General Allocation for city-wide Housing Rehabilitation Loans and a 10% set aside public improvement project to remove architectural barriers from city sidewalks.

The purpose of the public hearing is to provide citizens an opportunity to comment on the proposed activities. If you are unable to attend the public hearing, you may direct written comments to the City of Pacific Grove, Community Development Department, 300 Forest Ave., Pacific Grove, CA 93950, or you may telephone (831) 648-3199. In addition, a public information file is available for review at the above address between the hours of 8:00 a.m. and 2:00 p.m. on weekdays.

If you plan on attending the public hearing and need a special accommodation because of a sensory or mobility impairment/disability, or have a need for an interpreter, please contact the City Clerk at (831) 648-3106 to arrange for those accommodations to be made.

The City of Pacific Grove promotes fair housing and makes all programs available to low and moderate income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap.

Dated: March 9, 2008

