

Agenda Report Reviewed by:  
 City Manager: 

CITY OF SEBASTOPOL  
 CITY COUNCIL  
 STAFF REPORT

Meeting Date: December 18, 2018  
 To: Honorable Mayor and Honorable City Councilmembers  
 From: Henry Mikus, Engineering Manager  
 Subject: Discussion and Action of Proposed Resolution Submitting Recommendation to Sonoma Community Development Commission for 2019-2020 Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) Funds.  
 Recommendation: Approve the Resolution Regarding FY 2019-2020 CDBG and HOME Applications.  
 Funding: Currently Budgeted: \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ N/A  
 Net General Fund Cost: \$ \_\_\_\_\_ none \_\_\_\_\_

**INTRODUCTION:**

Community Development Block Grants (CDBG) and Home Investment Partnership Program (HOME) funds are administered by the County of Sonoma under the Urban County Entitlement Program. Sebastopol, along with six other cities, participates in this program through a cooperative agreement.

**BACKGROUND:**

Typically, the first step in the annual process of allocating CDBG funds is for the Cities to make recommendations to the Sonoma County Community Development Commission which administers the CDBG program on behalf of the County. City recommendations are then considered by the Technical Advisory Committee (composed of City representatives) and a funding recommendation is forwarded to the Community Development Commission for inclusion in the Consolidated Plan, which covers CDBG, HOME, (Home Investment Partnership Act) and FESG (Federal Emergency Shelter Grant) programs. The final approval of the Consolidated Plan is by the Sonoma County Board of Supervisors. However, this year, because of a rapidly-changing funding landscape, City Council Sub-Committee Members, City Staff and CDC staff engaged in initial conversations to look at a number of projects and funding sources. This process is ongoing and extends beyond just CDBG or HOME funds.

**DISCUSSION:**

Because of the continuing County-wide homelessness and housing crisis, the focus for last year’s round of CDBG and HOME grants was on projects that deal with these issues. This focus remains for this year, but also includes (per CDC recommendation) a project that improves mobility access to disadvantaged communities. The CDC has made it clear projects geared to helping housing, homelessness, and improved mobility access will be scored higher than more traditional projects such as ADA upgrades. Whereas in past years the City has focused on a single project to apply for grant funding, this year the discussions with CDC staff have resulted in consideration of four distinct projects. CDC staff have been

very engaged in the City's plans, and are still identifying the best sources of money for the projects. The consequence is that at this time, which project is best suited for CDBG or HOME funds is not clear. In a departure from past practice, rather than the normal Resolution supporting the selected project application, this year, with the concurrence of CDC staff, the request is for a Resolution directing the City Manager to work with the Sonoma County Community Development Commission to communicate the priorities for the use of federal funds to include, but not limited to, the Community Development Block Grant and Home Investment Partnership.

The four projects under discussion, together with the latest likely source of funding, are listed below:

1. At the Park Village Project, install two new RV pads which include utility hook-ups for two additional units for homeless or low-income individuals or families. Cost estimate \$142,700. Likely fund source: non-competitive "HEAP" grant
2. Bodega Highway pedestrian improvements via elimination of three sidewalk gaps, which will significantly improve mobility options for disadvantaged population groups. This would be for the design of the Bodega Corridor improvements and augment the funds for the overall project awarded by OBAG2 (\$1.2 M). Cost estimate is \$146,040. Likely fund source: CDBG.
3. Replacement of substandard mobile home units at Park Village, thereby improving the living conditions for the community residents, all of whom are classified as very low-income or low-income individuals and families. Cost estimate is \$ 400,000. Likely fund source: CDBG, possibly non-competitive. However, there are numerous potential impediments that will require resolution including that the property is in a flood plain.
4. At the Park Village Project, renovate two existing vacant buildings containing apartments which will provide two additional living units for homeless or low-income individuals or families. Cost estimate is: \$495,780. Likely fund source: direct set-aside (non-competitive) by CDC staff of \$500,000 in FY 19-20 HOME funds.

It must be noted that all four projects could be eligible for CDBG money if the other sources identified by CDC staff prove unworkable. For example, some of the prospective funds listed will likely be settled as to disbursements (meaning we would be told a "yes" or a "no") prior to the CDBG application due date. Flexibility to adjust the CDBG or HOME grant applications as more solid funding information develops is the driver for the request to allow the City Manager to adjust City priorities.

CDBG and HOME grant applications are due January 11, 2019 for the FY 2019-2020 allocations; the matching Resolution for Council Approval is attached.

**RECOMMENDATION:**

That the City Council approve the Resolution Regarding FY 2019-2020 CDBG and HOME Applications

**ATTACHMENTS:**

Resolution

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL SUBMITTING ITS  
RECOMMENDATION TO THE SONOMA COUNTY COMMUNITY DEVELOPMENT  
COMMISSION FOR 2019-2020 COMMUNITY DEVELOPMENT BLOCK GRANT and HOME  
INVESTMENT PARTNERSHIP PROGRAM FUNDS

WHEREAS, the City of Sebastopol participates in the Urban County Entitlement Program in Sonoma County; and

WHEREAS, the City of Sebastopol solicited proposals from qualified applicants for the use of Community Development Block Grant (CDBG) funds in Sebastopol; and

WHEREAS, the City of Sebastopol solicited proposals from qualified applicants for the use of Home Investment Partnership Program (HOME) funds in Sebastopol; and

WHEREAS, the City Council of the City of Sebastopol has reviewed qualifying proposals; and

WHEREAS, the City Council of the City of Sebastopol has identified the following projects as local priorities, all of which either address homelessness or serve low-income residents residing in the City:

1. At the Park Village Project, install two new RV pads which include utility hook-ups for two additional units for homeless or low-income individuals or families.
2. Bodega Highway pedestrian improvements via elimination of three sidewalk gaps, which will significantly improve mobility options for disadvantaged population groups.
3. Replacement of substandard mobile home units at Park Village, thereby improving the living conditions for the community residents, all of whom are classified as very low-income or low-income individuals and families
4. At the Park Village Project, renovate two existing vacant buildings containing apartments which will provide two additional living units for homeless or low-income individuals or families.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Sebastopol does hereby direct the City Manager to work with the Sonoma County Community Development Commission to communicate the priorities for the use of federal funds to include, but not limited to, the Community Development Block Grant and Home Investment Partnership.

The City of Sebastopol further acknowledges our intent to participate in the FY 2019-2020 application for contingency funds to operate the following housing rehabilitation programs for

low-income owner-occupied households throughout the incorporated area of the City:

- Owner-Occupied Repair Program
- Mobile Home Comprehensive Rehabilitation Program
- Water/Sewer Connection Program
- Mobile Home Earthquake Resistant Bracing System Program
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IN COUNCIL DULY PASSED, APPROVED and ADOPTED this 18<sup>th</sup> day of December, 2018.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

Ayes:

Noes:

Absent:

Abstain:

APPROVED: \_\_\_\_\_  
Mayor Neysa Hinton

ATTEST: \_\_\_\_\_  
Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM: \_\_\_\_\_  
Larry McLaughlin, City Attorney