



# **CITY COUNCIL**

## **STUDY SESSION REPORT**

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**MEETING DATE:** June 11, 2013

**ITEM NUMBER:**

**SUBJECT:** 2013-2014 COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC SERVICE GRANT ALLOCATIONS

**DATE:** JUNE 4, 2013

**FROM:** DEVELOPMENT SERVICES DEPARTMENT/HOUSING AND COMMUNITY DEVELOPMENT

**PRESENTATION BY:** MIKE LINARES CDBG/HOME COORDINATOR

**FOR FURTHER INFORMATION CONTACT:**

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### **RECOMMENDATION**

Review and consider the Community Development Block Grant Public Service Grants for Fiscal Year 2013-2014.

### **BACKGROUND**

The City of Costa Mesa is a recipient of Community Development Block Grant (CDBG) funds awarded by the U.S. Department of Housing and Urban Development (HUD). For Fiscal Year 2013-2014, the City estimates it will receive \$945,000 in CDBG funds. This represents a reduction of approximately 10 percent from the current year's funding level. CDBG regulations allow a maximum of 15 percent of the City's CDBG funds to be used for public service; therefore, up to \$141,750 in funding may be available for public services for Fiscal Year 2013-2014.

Public service programs are eligible for CDBG funding if they primarily benefit low- and moderate-income Costa Mesa residents. Examples of public service programs include senior meals, youth employment counseling, and programs that assist the homeless. HUD defines a low- and moderate-income individual as a person with an annual household income equal to, or less than, 80 percent of the county median income. Current maximum income eligibility by household size is as follows:

<b>1 Person</b> \$51,250	<b>2 Persons</b> \$58,600	<b>3 Persons</b> \$65,900	<b>4 Persons</b> \$73,200
<b>5 Persons</b> \$79,100	<b>6 Persons</b> \$84,950	<b>7 Persons</b> \$90,800	<b>8+ Persons</b> \$96,650

Over the course of several years, application funding and rating criteria has been established by the City Council. For example, current policies state that no more than 20 grants can be funded during a fiscal year and the minimum grant amount is \$5,000.

In June 2012, HCD staff presented the 2012-2013 Annual Action Plan to Council for approval. At that time, City Council indicated a desire to eliminate or modify certain CDBG- and HOME-funded programs including the CDBG-funded public service grants. During subsequent months, CDBG program allocations for 2013-2014 were delayed because Congress and the president could not agree on federal budget; however, HCD staff began the preparation of the 2013-2014 Action Plan, including soliciting public service grant applications. In January 2013 a request for applications was sent to approximately 30 nonprofit agencies that provide services to Costa Mesa residents. In response, the City received 14 applications requesting \$360,965 in CDBG grant funds.

As delineated in the City's Policies and Procedures, the City's Housing and Public Services Ad-hoc Committee (formerly the Redevelopment and Residential Rehabilitation - 3R Committee) was assembled for the purpose of reviewing grant applications. The Committee is also charged with developing funding recommendations for the City Council's consideration. On March 5, 2013, the Committee interviewed all applicants, and at the end of the interviews, the Committee developed a slate of preliminary funding recommendations for FY 2013-2014 CDBG public service grants. The Committee utilized the application rating criteria that had been approved by the City Council in 2008.

On April 9, 2013, the City Council discussed the topic of public service grant funding during a City Council Study Session meeting. Council discussion ranged from making no changes to the current public service grant funding policies, to utilizing public service grant funds to support initiatives of the City's Neighborhood Improvement Task Force. Discussion also included zero funding for public service grants. Subsequent to the April 9<sup>th</sup> Council Study Session alternate funding recommendations were prepared by HCD staff at the direction of the CEO. This recommendation allocates \$95,500 for eight applicants. This recommendation allocates approximately sixty-seven percent of CDBG funds available for public service grants. The recommendations of the City's Housing and Public Services Ad-hoc Committee and the CEO are provided as Attachment A.

Pursuant to City Council direction to reduce the amount of paper utilized to produce staff reports, entire application packages for all 2013-2014 CDBG public service grant applications has been posted on the City's website (<http://www.ci.costa-mesa.ca.us/departments/CMHousingCommunityDev.htm>); however, a summary of applications is provided as Attachment B. Additionally, a three-year funding history of CDBG public service grants is provided as Attachment C.

## **ANALYSIS**

HUD program regulations allow the City to allocate a maximum of 15 percent of CDBG funds for public service grants. In order to allocate these limited resources in an efficient and effective manner, the City Council has adopted funding guidelines. Based on these funding guidelines, the Housing and Public Services Ad-hoc Committee prepared funding

recommendations for Fiscal Year 2013-2014. Taking subsequent Council input into consideration, the CEO has modified the Committee's recommendation. Attachment A provides a comparison of these two recommendations. The CEO is recommending funding for eight grants totaling \$95,500 – approximately 67 percent of available public service grant funds. The balance of CDBG funds that could be used for public service grants (\$46,250) will be allocated to other eligible CDBG activities such as the improvement of public infrastructure.

### **ALTERNATIVES CONSIDERED**

Two alternatives are presented for City Council consideration with respect to funding recommendations:

1. The City Council could revise the recommended funding allocations and reallocate funds as it desires for public services.
2. The City Council could choose to not fund public service grants and use CDBG funds for other eligible activities; however, this action is inconsistent with the community needs and strategies identified in the City's 2010-2014 Consolidated Plan.

### **FISCAL REVIEW**

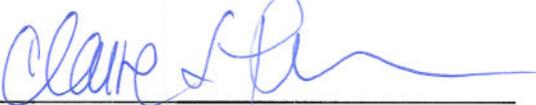
A total of \$95,500 in federal grant funds will be allocated for public service grant funds consequently there is no fiscal impact to the City's general fund.

### **LEGAL REVIEW**

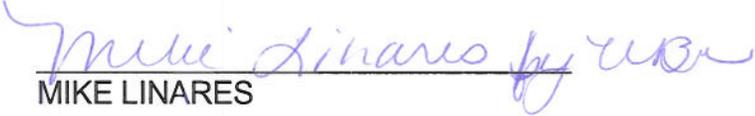
There is no legal impact connected with this action.

### **CONCLUSION**

It is recommended that the City Council consider the 2013-2014 CDBG Public Service grants allocations as recommended by the CEO.

  
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Director

  
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- Attachments:
- A. 2013-2014 CDBG Public Service Grant Recommendations
  - B. 2013-2014 CDBG Public Service Grant Applications Summary
  - C. CDBG Public Service Grant 3-Yr Funding History

**2013-2014 FUNDING RECOMMENDATIONS**

<b>Applicant Name</b>	<b>Population To Serve</b>	<b>Current Year Grant</b>	<b>Amount Requested</b>	<b>Avg Rating</b>	<b>H&amp;PS Committee Recommendation</b>	<b>CEO Recommendation</b>
Alzheimer's Family Services Center	Seniors	\$ 7,500	\$ 10,000.00	87.8	\$ 5,000	\$ -
Youth Employment Services	Youth	\$ 19,000	\$ 25,000.00	86.3	\$ 12,500	\$ 12,500
Colette's Children's Home	Homeless	NA	\$ 35,000.00	85.7	\$ 20,000	\$ -
City of CM Social Worker	Homeless	\$ 35,000	\$ 39,000.00	83.3	\$ 25,000	\$ -
Churches Consortium	Homeless	NA	\$ 14,140.00	77.3	\$ 5,000	\$ -
Mercy House - Prevention/Rapid Rehousing	Homeless	\$ 19,002	\$ 20,000.00	77.0	\$ 10,000	\$ 15,000
Elwyn	Disabled	\$ 7,000	\$ 32,125.00	74.3	\$ 10,000	\$ 4,500
Community Sr Serve - Congregate Meals	Seniors	\$ 12,500	\$ 20,000.00	73.3	\$ 10,000	\$ 12,500
Community Sr Serve - Home Delivered Meals	Seniors	\$ 15,000	\$ 20,000.00	70.3	\$ 10,000	\$ 15,000
Council on Aging	Seniors	\$ -	\$ 9,000.00	67.3	\$ 5,000	\$ 5,000
Costa Mesa Senior Corp	Seniors	\$ 10,000	\$ 20,000.00	64.3	\$ 10,000	\$ 10,000
Fair Housing Foundation	Low/Mod	\$ 22,000	\$ 22,000.00	57.3	\$ 19,250	\$ 21,000
Fair Housing Council of OC	Low/Mod	NA	\$ 22,000.00	57.0	\$ -	\$ -
Mercy House - Transportation	Homeless	NA	\$ 72,700.00	52.0	\$ -	\$ -
<b>TOTAL</b>			<b>\$360,965</b>		<b>\$ 141,750</b>	<b>\$ 95,500</b>
<b>(Based on 10% &lt; from FY 12-13) AMOUNT ALLOCATED:</b>					<b>\$ 141,750</b>	<b>\$ 141,750</b>
<b>AMOUNT UNALLOCATED FOR PUBLIC SERVICES:</b>					<b>\$ -</b>	<b>\$ 46,250</b>

## 2013-2014 PUBLIC SERVICE GRANT APPLICATION SUMMARIES

### SPECIAL NEEDS

#### Elwyn California – Employment Services

Proposed Service: Employment services program will provide income-earning opportunities for adults with developmental disabilities.

Amount Requested: \$32,125 for salary costs of salesperson that secures paid work for the work services program and program staff.

CM Residents to be Assisted: 39

Committee Recommendation: \$10,000

CEO Recommendation: \$4,500

### HOMELESS SERVICES

#### City of Costa Mesa – HCD Homeless Outreach Program

Proposed Service: Direct engagement of chronic CM homeless; carry out needs assessment and provide linkages to appropriate housing and support services.

Amount Requested: \$39,000 for contract program staff.

CM Residents to be Assisted: 180

Committee Recommendation: \$25,000

CEO Recommendation: \$0

#### Colette's Children's Home – Transitional Housing Program

Proposed Service: Program will provide housing and supportive services for homeless women and children.

Amount Requested: \$35,000 for program staff and related program/admin costs.

CM Residents to be Assisted: 25

Committee Recommendation: \$20,000

CEO Recommendation: \$0

#### New Horizons – Churches Consortium Check-in Center

Proposed Service: Storage facility for Costa Mesa homeless residents to securely store their belongings.

Amount Requested: \$14,140 for program staff and related program supplies and equipment.

CM Residents to be Assisted: 150

Committee Recommendation: \$5,000

CEO Recommendation: \$0

## **SENIOR SERVICES**

### Alzheimer's Family Services Center – Adult Daycare Program

Proposed Service: Program will provide adult daycare services for persons with Alzheimer's and other forms of dementia. Support services for caregivers are also provided.

Amount Requested: \$10,000 for program staff salaries.

CM Residents to be Assisted: 22

Committee Recommendation: \$5,000

CEO Recommendation: \$0

### Community Senior Serve - Congregate Meals

Proposed Service: The program provides seniors with hot lunch 5 days per week at the Costa Mesa Senior Center.

Amount Requested: \$20,000 for raw food cost.

CM Residents to be Assisted: 250

Committee Recommendation: \$10,000

CEO Recommendation: \$12,500

### Community Senior Serve - Home Meal Delivery

Proposed Service: This meals on wheels program will provide food and quick assessment for homebound seniors to ensure health and safety.

Amount Requested: \$20,000 for raw food cost.

CM Residents to be Assisted: 100

Committee Recommendation: \$10,000

CEO Recommendation: \$15,000

### Costa Mesa Senior Corp – Social Services

Proposed Service: Counseling and referral services for seniors provided by social worker at the Costa Mesa Senior Center.

Amount Requested: \$20,000 for program staff salaries.

CM Residents to be Assisted: 250

Committee Recommendation: \$10,000

CEO Recommendation: \$10,000

### Council on Aging – Ombudsman Services

Proposed Service: Ombudsman will provide on-site inspection and issue-resolution services for seniors/disabled individuals living in managed care facilities.

Amount Requested: \$9,000 for program staff salaries.

CM Residents to be Assisted: 35

Committee Recommendation: \$5,000

CEO Recommendation: \$5,000

## **YOUTH SERVICES**

### Youth Employment Services (YES) – Walk In Services for Youth

Proposed Program: Program provides pre-employment and mock interview skills training, job counseling, and employment referrals.

Amount Requested: \$25,000 for program staff salaries.

CM Residents to be Assisted: 600

Committee Recommendation: \$12,500

CEO Recommendation: \$12,500

## **LOW/MODERATE-INCOME SERVICES**

### Fair Housing Council of OC – Fair Housing Education, Counseling & Enforcement

Proposed Service: Program will provide fair housing education, counseling and enforcement services in compliance with federal program regulations.

Amount Requested: \$22,000 for program staff salaries, related program/admin costs and direct financial assistance.

CM Residents to be Assisted: 905 individuals

Committee Recommendation: \$0

CEO Recommendation: \$0

### Fair Housing Foundation – Fair Housing Program

Proposed Service: Program will provide fair housing education, counseling and enforcement services in compliance with federal program regulations.

Amount Requested: \$22,000 for program staff salaries, related program/admin costs and direct financial assistance.

CM Residents to be Assisted: 420 individuals

Committee Recommendation: \$19,250

CEO Recommendation: \$21,000

### Mercy House – Homelessness Prevention Program & Rapid Re-housing

Proposed Service: Program will provide rental assistance to qualified households to prevent the loss of housing, and will also help place those already homeless into permanent housing.

Amount Requested: \$20,000 for program staff salaries, related program/admin costs and direct financial assistance.

CM Residents to be Assisted: 10

Committee Recommendation: \$10,000

CEO Recommendation: \$15,000

Mercy House – Costa Mesa Armory Transportation Program

Proposed Service: Program will transportation for Costa Mesa homeless to/from Santa Ana Armory during winter months when center is open.

Amount Requested: \$72,700 for program staff salaries, related program/admin costs and transportation costs.

CM Residents to be Assisted: 30

Committee Recommendation: \$0

CEO Recommendation: \$0

**CDBG PUBLIC SERVICE GRANTS  
THREE-YEAR FUNDING HISTORY  
(Including 9 Month of Current FY)**

ORGANIZATION NAME	2009-2010				2010-2011				2011-2012				2012-2013 - AFTER 9 MONTHS			
	Funded Amount	Actual Spent	Planned To Serve	Actual Served	Funded Amount	Actual Spent *	Planned To Serve	Actual Served	Funded Amount	Actual Spent *	Planned To Serve	Actual Served	Funded Amount	Actual Spent	Planned To Serve	Actual Served
<b>Senior Citizen Services</b>																
Alzheimer's Family Services Center	\$10,000	\$10,000	25	23	\$10,000	\$10,000	25	26	\$8,985	\$8,985	23	24	\$7,500	\$5,625	16	14
Council on Aging	\$5,000	\$5,000	50	21	\$7,500	\$7,500	25	36	\$8,085	\$8,085	30	36	\$0	-	-	-
Costa Mesa Senior Corp - Social Svcs	\$18,000	\$18,000	155	237	\$20,000	\$20,000	244	264	\$13,495	\$13,495	264	237	\$10,000	\$10,000	237	182
Community SeniorServe - Congregate Meals	\$15,000	\$15,000	400	369	\$20,000	\$20,000	400	358	\$18,005	\$18,005	350	308	\$12,500	\$9,375	300	201
Community SeniorServe - Home Meal Delivery	\$15,000	\$15,000	160	153	\$20,000	\$20,000	150	146	\$21,610	\$21,610	138	103	\$15,000	\$11,250	100	101
<b>Youth Services</b>																
Community & School Collaborative #	\$5,000	\$4,804	300	192	\$5,000	\$4,605	250	203	\$5,000	\$2,899	200	95	\$5,000	\$0	0	0
Mika Community Development Corp.	\$20,000	\$20,000	150	124	\$15,000	\$15,000	150	124	NA	NA	NA	NA	-	-	-	-
Youth Employment Services	\$25,000	\$25,000	670	647	\$25,000	\$25,000	670	559	\$23,590	\$23,590	600	403	\$19,000	\$14,250	485	294
<b>Disabled Services</b>																
California Elwyn	\$6,848	\$6,848	5	9	\$24,000	\$24,000	31	44	\$13,494	\$13,494	26	26	\$7,000	\$5,250	37	33
Project Independence	\$10,000	\$10,000	45	17	NA	NA	NA	NA	\$13,494	\$13,494	30	25	\$7,500	\$5,000	24	13
<b>Other Low-Income Services</b>																
Human Options Resource Center	\$7,000	\$7,000	28	67	\$16,500	\$14,609	56	92	NA	NA	NA	NA	NA	NA	NA	NA
Women Helping Women	\$15,000	\$15,000	140	175	\$22,000	\$22,000	206	208	\$18,005	\$18,005	120	132	\$10,000	\$9,534	50	64
Fair Housing Foundation *	-	-	-	-	-	-	-	-	\$22,825	\$22,825	125	128	\$22,000	\$15,905	168	218
<b>Homeless Services</b>																
City of Costa Mesa Homeless Outreach	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$35,000	\$25,141	180	146
Collette's Children's Home	\$17,925	\$17,925	23	37	NA	NA	NA	NA	\$13,495	\$13,495	24	30	NA	NA	NA	NA
Mercy House (Transitional Housing)	\$10,000	\$10,000	10	11	\$15,000	\$15,000	10	10	\$8,985	\$8,985	10	7	\$19,002	\$15,144	10	11
Serving People In Need	NA	NA	NA	NA	\$20,986	\$20,986	11	16	\$18,005	\$18,005	8	8	\$10,000	\$5,771	6	4

NA - No application submitted

# - Closed doors after grant was awarded