SUBJECT: Fiscal Year 2018-2019 Community Development Block Grant (CDBG) Project Applications and Agreement with Alameda County

FROM: Isabelle Leduc, Assistant City Manager

SUMMARY

The Community Development Block Grant program provides funds for affordable housing, anti-poverty programs, and infrastructure development that benefit low-income residents. The action before the City Council is to approve the submission of Community Development Block Grant (CDBG) project applications to Alameda County and authorize the City Manager to enter into an Agreement with Alameda County for the proposed use of FY 2018-19 CDBG funding in the amount of $147,083.50.

STAFF RECOMMENDATION

That the Council adopt Resolution No. 2018- 130 authorizing:

1. The submission of FY 2018-19 Community Development Block Grant (CDBG) project applications to Alameda County and,
2. The City Manager to enter into an Agreement with Alameda County for the use of FY 2018-19 Community Development Block Grant (CDBG) funds, in the amount of $147,083.50.

BACKGROUND

Community Development Block Grant program (CDBG) is one of the longest-running programs of the U.S. Department of Housing and Urban Development (HUD). The program funds activities such as affordable housing, anti-poverty programs, and infrastructure development that benefit low-income people or contribute to the elimination of blight. Funds are allocated to localities based on formulas that reflect population, measures of poverty, age of housing stock, etc.

In order to meet administrative requirements of the program in a cost-effective manner, the cities of Albany, Emeryville, Piedmont, Dublin, Newark, and the unincorporated portions of Alameda County are consolidated as a single “Alameda County Urban County” grantee. Staffing for the “Urban County” is provided by Alameda County. The Assistant City Manager meets with staff from the County and the other cities every 60 days to monitor the program.
A requirement for using CDBG funds, with few exceptions, is that it must be demonstrated that the funds are serving very low or low income people or households. Programs that benefit disabled persons, seniors or individuals who are experiencing homelessness usually have no difficulty meeting these income limits. Another stipulation of this program is that across the Urban County cities collectively, no more than 15% of CDBG funds can be applied toward services.

Examples of past projects funded through Albany’s CDBG allocation include:

- Support to the Meals-on-Wheels program for seniors,
- The Alameda County 2-1-1 Program, and Alameda County Homeless Management Information System
- Accessible curb ramps
- Homeless Outreach and Engagement Program

**DISCUSSION**

The City’s allocation, based on information released by the United States Department of Housing and Urban Development (HUD) is $97,064. The County estimates that the City of Albany will receive $50,019.50 in program income revenue. Program income results from the sale of real property previously improved with CDBG funds. Of Albany’s CDBG allocation, revenues will be assigned as follows:

1. **Owner-Occupied Housing Rehabilitation and Minor Repair - $75,959.50**
   Minor Home Repair grants, accessibility improvement grants, exterior paint grants, and rehabilitation low-interest loans. Alameda County Healthy Homes Department staff manage projects in the City of Albany.

2. **Sidewalk Improvements - $22,524**
   Helps defray cost associated with the removal and replacement of sidewalks, existing substandard ramps at street intersections.

3. **Homeless Outreach and Engagement Program - $42,000**
   Helps defray costs associated with services provided by Berkeley Food and Housing Project such as outreach and engagement, strength-based case management, referrals and linkages to services and programs, housing search, placement and housing stabilization and retention services.

4. **CDBG General administration - $6,600**
   Helps defray City of Albany staff costs associated with the administration of CDBG funds.
Separate from the City’s allocation, Urban County community services funds in the amount of $85,000 are allocated by the County towards housing counseling services. These services, provided by ECHO Housing are available to all Urban County cities, including Albany residents.

**SUSTAINABILITY IMPACT**

Albany’s share of CDBG funds programs and improvements to assist low and very low-income households, which is compatible with values of sustainability and social equity.

**FINANCIAL IMPACT**

The proposed use of CDBG funds will result in a provision of services and improvements that would otherwise be funded out of the General Fund or other local tax revenues.

**Attachment**

A) Resolution No. 2018-130
RESOLUTION NO. 2018-130

A RESOLUTION OF THE ALBANY CITY COUNCIL AUTHORIZING THE SUBMISSION OF FY2018-19 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECT APPLICATIONS TO ALAMEDA COUNTY AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH ALAMEDA COUNTY FOR THE PROPOSED USE OF FY2018-19 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS PROJECTED IN THE AMOUNT OF $147,083.50

WHEREAS, Community Development Block Grant (CDBG) is one of the longest-running program of the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the program funds activities such as affordable housing, anti-poverty programs, and infrastructure development that benefit low-income people or contribute to the elimination of blight; and funds are allocated to localities based on formulas that reflect population, measures of poverty, age of housing stock, etc; and

WHEREAS, in order to meet administrative requirements of the program in a cost-effective manner, the cities of Albany, Emeryville, Piedmont, Dublin, Newark, and the unincorporated portions of Alameda County are consolidated as a single “Alameda County Urban County” grantee; and staffing for the “Urban County” is provided by Alameda County; and

WHEREAS, a requirement for using CDBG funds, with few exceptions, is that it must be demonstrated that the funds are serving very low or low income people or households; and another stipulation of this program is that across the Urban County cities collectively, no more than 15% of CDBG funds can be applied toward services; and
WHEREAS, examples of past projects funded through Albany’s CDBG allocation include: Support of the Meals-on-Wheels program for seniors, the Alameda County 2-1-1, accessible curb ramps and Homeless Outreach and Engagement; and

WHEREAS, the City’s allocation, based on information released by the United States Department of Housing and Urban Development (HUD) is $97,064; and

WHEREAS, the County estimates that Albany will receive $50,019.50 in program income revenue resulting from the sale of real property previously improved with CDBG funds; and

WHEREAS, of Albany’s CDBG allocation, revenues will be assigned as follow $75,959.50 to Owner Occupied Housing Rehabilitation and Minor Repair, $22,524 to Sidewalk Improvements, $42,000 to Homeless Outreach and Engagement Program, $6,600 to general administration; and

WHEREAS, additional Urban County Community Services funds in the amount of $85,000 are allocated by the County towards housing counseling services provided by ECHO Housing.

NOW, THEREFORE, BE IT RESOLVED, the Albany City Council authorizes the submission of FY2018-19 Community Development Block Grant (CDBG) project applications to Alameda County and authorizes the City Manager to enter into an agreement with Alameda County for the proposed use of FY2018-19 Community Development Block Grant (CDBG) funds projected in the amount of $147,083.50.

PEGGY MCQUAID, MAYOR