

AGENDA



HOUSING AND COMMUNITY DEVELOPMENT COMMISSION REGULAR MEETING

**THURSDAY, NOVEMBER 4, 2021
7:00 P.M
VIA TELECONFERENCE**

Tara Beasley-Stansberry, Chair
S. Bre Jackson, Vice-Chair
Jared Bunde
Ylonda Calloway
Cassandra James
Christina Long
Antoinisha Waddell

IMPORTANT NOTICE

Until further notice, meetings of the Housing and Community Development Commission are being conducted using teleconference and electronic means consistent with the State of California Executive Order N-29-30 regarding the COVID-19 pandemic. In accordance with Executive Order N-29-30, the public may only view the meetings on television and/or online and not in the Council Chamber. Details may be found at www.cityofvallejo.net.

PUBLIC COMMENT: Members of the Public may provide public comments during the Housing and Community Development Commission Meeting via Zoom (<https://zoomregular.cityofvallejo.net>), or via phone, by dialing (669) 900-6833, enter meeting ID: 914 0075 0676#. For additional instructions on how to speak during public comment, please visit, www.cityofvallejo.net/publiccomment

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- Stream from the City website: www.cityofvallejo.net/Streaming
- Join the Zoom webinar: <https://zoomregular.cityofvallejo.net>

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In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at dawn.abrahamson@cityofvallejo.net. Notification at least 48 hours prior to a meeting will enable the City to make reasonable arrangements to ensure accessibility to that meeting. [28 CFR.35.102.35.104 ADA Title II]. The Vallejo Housing and Community Development Division may be contacted as follows: Tel: (707) 648-4507, Fax: (707) 648-5249, or e-mail: chari.barrera@cityofvallejo.net. The hearing impaired may call the California Relay Service at (800) 735-2922 without a TTY/TDD, or (800) 735-2929 with a TTY/TDD.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. APPROVAL OF AGENDA

5. APPROVAL OF MINUTES

A. Regular Meeting of September 2, 2021

8. REPORT OF PRESIDING OFFICER AND MEMBERS OF THE COMMISSION

9. REPORT OF THE SECRETARY**10. REPORT OF THE CITY COUNCIL LIAISON****11. COMMUNICATIONS AND PRESENTATIONS****12. COMMUNITY FORUM**

This is an opportunity for residents to discuss items not on the agenda that are within the purview of the Commission. The Commission may not discuss or take action on these items but may require they be placed on a future agenda. If an item is not within the purview of the Commission, the person may be referred to the appropriate party.

Due to the current Shelter at Home Order and in conformance with the Governor's Executive Order N-29-30, the City of Vallejo has opted to hold Housing and Community Development Commission meetings via teleconference. There will be no public access to City Hall for any Commission meetings until further notice.

Any interested members of the public desiring to communicate with the Commission as part of the Community Forum may do so via:

- Zoom: (<https://zoomregular.cityofvallejo.net>),
- Phone: Dial (669) 900-6833. Enter Meeting ID: 914 0075 0676#. Press *9 to digitally raise your hand from the phone.

For additional instructions on how to speak during public comment, please visit, www.cityofvallejo.net/publiccomment.

13. CONSENT CALENDAR**14. PUBLIC HEARINGS**

Due to the current Shelter at Home Order and in conformance with the Governor's Executive Order N-29-30, the City of Vallejo has opted to hold this meeting via teleconference. There will be no public access to City Hall for any Commission meetings until further notice.

Any interested members of the public desiring to communicate with the Commission as part of the Public Hearing may do so via:

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- Phone: Dial (669) 900-6833. Enter Meeting ID: 914 0075 0676#. Press *9 to digitally raise your hand from the phone.

For additional instructions on how to speak during public comment, please visit, www.cityofvallejo.net/publiccomment.

15. ADMINISTRATIVE ITEMS**A. Update on Homeless Navigation Center Project**

For more information, additional material is enclosed.

AGENDA

City of Vallejo Housing and Community Development Commission

November 4, 2021

Recommendation: No action is required. Informational item only.

- B. Fiscal Year (FY) 2022-23 Community Development Block Grant (CDBG) Program and HOME Investment Partnerships (HOME) Program Funding Process and Criteria

For more information, a staff report is enclosed with the agenda.

Recommendation: Recommend approval by the City Council of an FY 2022-23 CDBG Program and HOME Program funding process and criteria.

16. POLICY ITEMS

17. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Chari Barrera, Housing and Community Development Commission Secretary, do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the Housing and Community Development Commission, at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 7:00 p. m. on October 28, 2021.

Dated: _____

10/28/2021

Chari Barrera

Chari Barrera, Secretary

**City of Vallejo
Housing and Community Development Commission
Via Teleconference
September 2, 2021**

ACTION MINUTES

1. Call to Order

The Housing and Community Development Commission of the City of Vallejo met in a virtual meeting on Thursday, September 2, 2021 at 7:03 p.m.

2. Pledge of Allegiance

3. Oath of Office of Newly Appointed and Re-Appointed Commissioners

4. Roll Call

Present: Beasley-Stansberry, Jackson, Bunde, Calloway, James, Long

Absent/Excused:

Absent/Unexcused: Waddell

Liaison: Councilmember Loera-Diaz

Staff: Gillian Hayes, Interim Assistant City Manager
Guy Ricca, Temp. Senior Community Development Analyst
Chari Barrera, Administrative Analyst II
Jason Goltiao, Administrative Analyst I

5. Approval of Agenda

Staff asked the Commission if the Report of the Secretary can be moved from Item #9 to #6.

Beasley-Stansberry made a motion to approve the request. The motion was seconded by Jackson.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Jackson, Bunde, Calloway, James, Long

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: None

Absent/Unexcused: Commissioners: Waddell

The motion passed unanimously, 6-0-0.

Beasley-Stansberry made a motion to approve the Agenda as amended. The motion was seconded by Jackson.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Jackson, Bunde, Calloway, James, Long

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: None

Absent/Unexcused: Commissioners: Waddell

The motion passed unanimously, 6-0-0.

6. Report of the Secretary

Hayes provided an update on Housing and Community Development Division staffing.

7. Nomination and Election of Officers

The nominations for Chair were opened. Jackson nominated Beasley-Stansberry for Chair. The nomination was seconded by Long. There being no further nominations, the nomination for Chair were closed.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Jackson, Bunde, Calloway, James, Long

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: None

Absent/Unexcused: Commissioners: Waddell

Beasley-Stansberry was elected Chair unanimously, 6-0-0.

The nominations for Vice Chair were opened. Beasley-Stansberry nominated Jackson for Vice Chair. The nomination was seconded by Long. There being no further nominations, the nomination for Vice Chair were closed.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Jackson, Bunde, Calloway, James, Long

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: None

Absent/Unexcused: Commissioners: Waddell

Jackson was elected Vice Chair unanimously, 6-0-0.

8. Approval of Minutes

Jackson made a motion to approve the Minutes of the regular meeting of June 3, 2021. The motion was seconded by Bunde.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Jackson, Bunde, Calloway, James, Long

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: None

Absent/Unexcused: Commissioners: Waddell

The motion passed unanimously, 6-0-0.

9. Report of Presiding Officer and Members of the Commission

There were no reports.

10. Report of the City Council Liaison

There was no report.

11. Communications and Presentations

There were no Communications and Presentations.

12. Community Forum

There were no speakers.

13. Consent Calendar – None

14. Public Hearings

A. Draft Consolidated Annual Performance and Evaluation Report (“CAPER”) for Fiscal Year (FY) 2020-21

Barrera reviewed the item. The Chair opened the public hearing. There being no speakers, the Chair closed the public hearing. After discussion, Jackson made a motion to approve the item. The motion was seconded by Long.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Jackson, Bunde, Calloway, James, Long

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: None

Absent/Unexcused: Commissioners: Waddell

The motion passed unanimously, 6-0-0.

15. Administrative Items

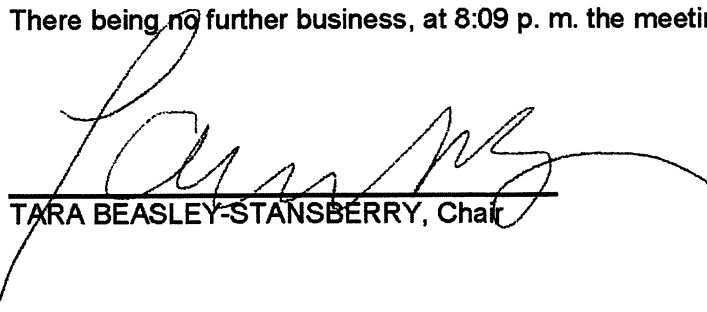
There were no administrative items.

16. Policy Items

There were no policy items.

17. Adjournment

There being no further business, at 8:09 p. m. the meeting was adjourned.


TARA BEASLEY-STANSBERRY, Chair

ATTEST:

Charri Barrera

Digitally signed by Charri Barrera
DN: cn=Charri Barrera, o=ou,
email=charri.barrera@cityofvallejo.net,
c=US
Date: 2021.10.27 17:23:55 -07'00'

CHARI BARRERA, Secretary



MEMORANDUM
Public Works Department

DATE: September 23, 2021
TO: Mayor and City Council
VIA: Anne Cardwell, Interim City Manager
FROM: Terrance Davis, Public Works Director
SUBJECT: **Vallejo Navigation Center Update**

The purpose of this memorandum is to provide a brief update on the status of the City of Vallejo's Navigation Center. As you aware, in April 2021 the City Manager transitioned the responsibility for design and construction of the Navigation Center Project to the Department of Public Works. In accordance with construction best practices, the Navigation Center was added to Public Work's annual Capital Improvement Plan and will be managed by a registered civil engineer. The City of Vallejo Housing and Community Development staff will continue to act as lead for ongoing programs and operations of the facility once constructed.

Project Background

The City of Vallejo intends to build a 125-bed homeless navigation shelter on a City owned parcel located at 5 Midway. The Center will provide temporary housing for people looking to find a permanent place to live. The City of Vallejo Homeless Navigation Center will be developed using a sustainable model where basic services are provided to people working to find housing and overcome issues contributing to their homelessness. The shelter will make use of referrals for intake of homeless individuals who will complete an orientation, sign a shelter agreement, and immediately:

- Exit the street
- Receive access to a bed
- Access two meals per day
- Receive mental health support, case management, and other services
- Receive counseling services

Staff anticipate that the Navigation Center will intake over 600 vulnerable people who were living on the streets annually. The goal is to exit 75% of these guests from the Center annually to some type of permanent arrangement including housing, reunification with family, or a transitional program.

Site Plan

There have been no significant changes to the site plan. The site will consist of two primary Sprung structures. One will provide a dormitory and meal distribution and another structure will be used to provide support services facilities (including medical and dental services). A separate third structure will house restroom and shower facilities.

Project Budget

Since project initiation in FY 2018-19, the Navigation Center budget has fluctuated substantially. There are several factors that contributed to this. First, the original project budget underestimated the costs associated with the public improvements (e.g. water, sewer, lighting, curb and gutter infrastructure) needed at the project site. In addition, in the early planning stages of the project, staff made incorrect assumptions about the extent to which pro bono design and engineering services could be leveraged. While some technical design services were indeed donated to the City, the complexity and scope of the project requires additional services in excess of the original assumptions. Finally, the emergence of the pandemic resulted in the transfer out of Community Block Development Grant (CDBG) funding, as Project Room Key became the immediate short term shelter priority. Combined, these factors significantly impacted revenue and expenditure projections.

Staff have prepared two attachments to provide a full updated accounting and evaluation of Navigation Center project costs and revenues.

- **Attachment A** - summarizes the Navigation Center budget as of September 20, 2021. This attachment also details the \$996,000 in costs that have been expended to date.
- **Attachment B** - provides the budget history (original budget, and subsequent budget revisions) and variances.
 - o The history details the original \$4M budget, which was limited to construction costs and did not account for soft costs, public improvements and other pertinent costs that have since been identified;
 - o The second budget revision was discussed during the May 25, 2021 staff presentation to City Council, where an \$8.7M project estimate was provided;
 - o After negotiations with our contractors and value engineering to identify project savings, the current total project budget is \$8.1M.

The total remaining project cost for the Navigation Center is \$7.1M, which includes \$339,000 for construction contingency. Construction costs are estimated to be \$3,662,000, and the estimate for public improvements (utilities, site development, ADA improvements) is \$2,052,000. The remaining costs are for project management, design, and other technical services.

The current budget assumes the following fiscal recommendations, which will require separate City Council action:

- City Council allocation of \$2M American Rescue Plan Act (APRA) funding;
- City Council will agree to waive up to \$112,000 in City permit fees;
- City Council will approve the reallocation of the proposed \$698,000 of CDBG funding, which will require a Commission and Council discussion and an amendment to the CDBG Annual Action Plan (anticipated to be heard by Council in November 2021);
- The City will receive Permanent Local Housing Allocation (PHLA) funds soon, with some funds received this fiscal year, and the remainder next fiscal year.

Operations Costs

Once project construction is initiated, staff will also release a Request for Proposals (RFP) to secure a facility operator, which will determine actual annual operating costs. However, initial projections based on comparisons with similar shelters in operation in the region indicate annual operation costs between \$2.2 to \$2.8M. Our community health partners, which include Kaiser, Sutter, and NorthBay continue to pledge their financial support for operations, and have committed \$6.2M for this purpose.

Gap Funding Opportunities

The current funding gap for the project is \$2.3M. Staff engaged our community health partners regarding the potential to reallocate operations funding to construction to close the gap. However, at this time, the community health partners continue to want their financial contributions to support operations. As an alternative strategy, staff have initiated discussions with Solano County regarding the potential to leverage County designated ARPA funding allocations to complete the construction of the Vallejo Homeless Navigation Center. Given the regional significance of a Vallejo shelter, staff are in process of preparing a formal request to the County for this consideration.

In addition, the City has retained a grant writing and State lobbyist firm to identify other funding sources. Potential grants and supportive legislation include the following:

CA State Housing and Homeless Programs

- *Homeless Housing, Assistance and Prevention Program*
- *Encampment Resolution Grants*
- *Family Homelessness Challenge Grants*
- *Project Homekey*

Federal Housing and Homeless Programs

- *Emergency Housing Vouchers*
- *HOME Investments Partnership Program*

Revised Project Schedule

Staff continues to pursue options to close the remaining funding gap, so a final project schedule is unavailable. Once full funding is achieved, construction is anticipated to take approximately 12-14 months for completion.

Attachments

VALLEJO HOMELESS NAVIGATION CENTER PROJECT BUDGET AS OF 9/20/2021
SHOWING GAP FUNDING

	Revised Budget #2 9/20/2021	Actuals as of 9/20/21	Balance
REVENUE			
Community Development Block Grant (CDBG)	1,211,572	996,694	214,878
CDBG Proposed Reallocation, 2021	698,332	-	698,332
Permanent Local Housing Allocation (PLHA) Grant 2019	505,369	-	505,369
General Fund Subsidy for Permit Fees	112,937	-	112,937
PLHA Grant 2020	505,369	-	505,369
PLHA Grant 2021	785,500	-	785,500
American Rescue Plan Act Allocation	2,000,000	-	2,000,000
Total Revenue	5,819,079	996,694	4,822,385
EXPENSE			
Miscellaneous Administrative	-	2,699	(2,699)
Construction (Design-Build)	3,662,000	-	3,662,000
Space Planning, Architectural & Design-Build	49,500	-	49,500
On-Site/Off-Site Civil Engineering Plans (Grading)	10,000	9,985	15
Survey	41,260	-	41,260
Phase 1 Environmental Site Assessment w/out VFW Land	3,200	3,200	-
Linked Restroom Structures	227,547	113,774	113,773
Sprung Structures	733,219	733,219	(0)
Permit Fees	381,178	-	381,178
Landscaping	-	-	-
Soil Report	9,000	9,000	-
Noise, Air, & Archeological Survey	11,500	12,920	(1,420)
PG&E Power	100,000	-	100,000
Public Improvements (soft & hard costs included)	2,052,511	-	2,052,511
Project Coordination	50,000	5,749	44,251
Project/Construction Management	460,000	106,148	353,853
Subtotal	7,790,915	996,694	6,794,221
5% Construction Contingency	389,546	-	339,711
Total Expense	8,180,461	996,694	7,133,933
FUNDING GAP			2,311,548

**VALLEJO HOMELESS NAVIGATION CENTER PROJECT BUDGET HISTORY
SHOWING VARIANCES**

	Original Budget 10/24/2020	Revised Budget #1 5/25/2021	Variance	% of Variance	Revised Budget #2 9/20/2021	Variance of Revised Budgets #1 and #2	% of Variance
REVENUE							
Community Development Block Grant (CDBG)	1,343,587	2,386,903	1,043,316	78%	1,211,572	(1,175,331)	-49%
CDBG Proposed Reallocation, 2021	-	(1,200,000)	(1,200,000)		698,332	1,898,332	-158%
Permanent Local Housing Allocation (PLHA) Grant 2019	505,369	505,369	-	0%	505,369	-	0%
General Fund Subsidy for Permit Fees	-	-	-		112,937	112,937	
PLHA Grant 2020	505,369	505,369	-	0%	505,369	-	0%
PLHA Grant 2021	-	505,369	505,369		785,500	280,131	55%
American Rescue Plan Act Allocation	-	-	-		2,000,000	2,000,000	
Total Revenue	\$ 2,354,325	\$ 2,703,010	\$ 348,685	15%	\$ 5,819,079	\$ 3,116,069	115%
EXPENSE							
Miscellaneous Administrative	-	-	-		-	-	
Construction (Design-Build)	3,985,344	4,100,000	114,656	3%	3,662,000	(438,000)	-11%
Space Planning, Architectural & Design-Build	49,500	49,500	-	0%	49,500	-	0%
On-Site/Off Site Civil Engineering Plans (Grading)	-	10,000	10,000		10,000	-	0%
Survey	5,000	41,260	36,260	725%	41,260	-	0%
Phase 1 Environmental Site Assessment w/o VFW Land	-	2,550	2,550		3,200	650	25%
Linked Restroom Structures	-	227,547	227,547		227,547	-	0%
Sprung Instant Structures	-	677,383	677,383		733,219	55,836	8%
Permit Fees	-	494,115	494,115		381,178	(112,937)	-23%
Landscaping	-	60,000	60,000		-	(60,000)	-100%
Soil Report	-	9,000	9,000		9,000	-	0%
Noise, Air, & Archeological Survey	-	11,500	11,500		11,500	-	0%
PG&E Power	-	100,000	100,000		100,000	-	0%
Public Improvements (soft & hard costs included)	509,579	2,052,511	1,542,932	303%	2,052,511	-	0%
Project Coordination	-	-	-		50,000	50,000	
Project/Construction Management	-	520,000	520,000		460,000	(60,000)	-12%
Subtotal	4,549,423	8,355,366	3,805,943	84%	7,790,915	(564,451)	-7%
5% Construction Contingency	123,500	415,038	291,538	236%	389,546	389,543	94%
Total Expense	4,672,923	8,770,404	4,097,481	88%	8,180,461	(174,908)	-2%



DATE: November 4, 2021

TO: Chair and Commissioners
Housing and Community Development Commission

FROM: Guy L. Ricca, Temporary Senior Community Development Analyst

SUBJECT: FISCAL YEAR (FY) 2022-23 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FUNDING PROCESS AND CRITERIA

RECOMMENDATION

Approval by the City Council of a FY 2022-23 CDBG Program and HOME Program funding process and criteria.

REASONS FOR RECOMMENDATION

The City has received annual allocations of CDBG Program and HOME Program funding from the U. S. Department of Housing and Urban Development (HUD) since 1974 and 1990, respectively. These funds have helped the City to address its affordable housing and community development needs. The City Council typically approves a process for determining projects and activities on an annual basis.

BACKGROUND AND DISCUSSION

This agenda item represents the beginning of the process to determine the allocation of FY 2022-23 CDBG Program and HOME Program funds for projects and activities, as part of implementing the City's 2022-2023 fiscal year, which begins on July 1, 2022. To this end, staff proposes that the Commission recommend a funding process and criteria.

CDBG Program funds may be used for projects such as affordable housing, housing and neighborhood preservation and revitalization, completing public improvements in target area neighborhoods, public facilities that will primarily benefit very low- and low-income persons, the installation of curb ramps City-wide, social services, and economic development.

HOME Program funds may be used only to support permanent affordable housing.

Availability of Funds

In FY 2021-22, the current fiscal year, the City has allocated \$1,065,713 in CDBG Program funds. Of this amount, \$15,000 is revenue (program income) that the City anticipates it will receive in FY 2021-22, primarily from principal and interest housing loan repayments. The balance of \$1,050,713 is grant funds (also known as "Entitlement" funds), the City has received directly from HUD.

The City also received \$610,866 in HOME Program funds from HUD in FY 2021-22, and estimates that it will additionally receive \$150,000 in HOME program income, also from housing loan repayments, for a total of

\$760,866. At least fifteen percent of the City's annual HOME Program grant received directly from HUD must be allocated to a qualified Community Housing Development Organization, (or "CHDO"). A CHDO is a non-profit affordable housing developer whose primary purpose is the development and management of housing. The City has determined that Community Housing Development Corporation (CHDC), and Eden Housing, Inc. are qualified CHDOs.

The CDBG Program and HOME Program funding levels for FY 2022-23 are unknown at this time. However, in order to adhere to the City's typical timeline and complete a funding process by HUD's stated deadline for the City of May 15, 2022, staff recommends the City proceed on the assumption that it may receive approximately the same amount in CDBG Program and HOME Program funds in FY 2022-23 as it did in FY 2021-22.

High Priority Needs

The Consolidated Plan is a five-year planning document required by HUD in order for the City to receive certain federal affordable housing and community development funds. It documents, in detail, affordable housing and community development needs in Vallejo. The Plan contains data on the characteristics of the housing market and the existing housing stock, an assessment of affordable housing needs, and the resources expected to be available to address those needs. The City's current Consolidated Plan was approved by the City Council on July 21, 2020. The Plan includes the period beginning July 1, 2020 and ending June 30, 2025.

The current Consolidated Plan has established the following groups as most in need of assistance, in this order of priority:

1. extremely low- and very low-income renters,
2. homeless persons,
3. very low- and low-income first-time homebuyers, and
4. non-homeless persons with special needs.

The Plan also contains quantifiable goals and objectives in the areas of housing, targeted expenditures for the installation of public improvements, public facilities, and providing social services.

Staff does not recommend that the City accept CDBG Program or HOME Program proposals for funding in FY 2022-23 for housing activities or projects, or public improvements, other than those described below.

Housing Activities— The Consolidated Plan documents a need for the development of affordable rental and ownership housing; supportive housing for persons with special needs; tenant-based rental assistance; first time homebuyer assistance; and services appropriate to address the needs of the unsheltered and chronically homeless population in the community.

CHDO – Due to the ongoing unmet affordable housing needs in the community, staff recommends that the City accept proposals from qualified CHDOs to receive HOME Program funds in FY 2022-23 to develop either rental or owner-occupied affordable housing. This action will also ensure that the City meets the HOME Program requirement to set aside funding for a qualified CHDO to develop affordable housing.

Public (Social) Services- According to HUD guidelines, the City may allocate a maximum of fifteen percent of its CDBG Program funds each year to public service activities. In FY 2021-22, the City allocated \$130,000 to four social service agencies.

The social service agencies receiving CDBG Program funds serve vulnerable residents of the community, including the elderly, disabled, and very low-income persons. In FY 2021-22, these organizations are: Fair Housing Advocates of Northern California, The House of Acts, Legal Services of Northern California, and Vallejo

Senior Citizens' Council. Receiving these funds also enables these organizations to leverage other funding sources. Therefore, staff recommends that the City accept FY 2022-23 public service applications.

Staff estimates that there will be approximately \$150,000 available to allocate to social service programs in FY 2022-23. Staff further recommends that the minimum funding allocation to each social service activity be \$20,000, and that there be no maximum allocation. Staff believes that with limited funding, and numerous regulations mandated by HUD, it is not cost effective for the City to allocate less than \$20,000 per social service program, and still meet the administrative requirements of the program successfully. In some cases, the Commission and the City Council may wish to allocate more than \$20,000 to a program.

HOME Program funds may not be allocated to provide public service activities.

Program Administration – HUD regulations allow the City to allocate up to twenty percent of CDBG Program funds and ten percent of HOME Program funds, respectively, each year to program administration costs. These funds are used for general management, oversight, and coordination of these programs by staff; and for providing public information.

Staff anticipates the City will need to allocate the full amount allowed in this category in FY 2022-23 in order to administer these programs effectively, and to ensure that program requirements are met.

Proposed Process for Requesting CDBG Program and HOME Program Funds by Non-Profit Housing and Social Service Agencies:

Housing Agencies

If approved, the City would accept proposals from non-profit affordable housing organizations, including qualified CHDOs, that will address one or more of the top priority housing needs in the City's Five-Year Consolidated Plan.

Staff proposes that the following criteria be used in screening and evaluating CDBG Program and HOME Program proposals from housing agencies:

Agencies must document that they are chartered as a 501(c)(3) organization, submit other eligibility documents, provide evidence that they are fiscally sound, and comply with the City's insurance requirements. All proposers will submit a proposed HOME Program Budget, an overall organizational budget, and a financial audit or financial statements as applicable. All proposers must also submit written fiscal and personnel policies and procedures.

Pursuant to HUD regulations, the City must commit and expend its HOME Program funds by set deadlines. Therefore, staff recommends that the City only consider funding housing projects and activities that can be completed in a timely manner.

Social Service Agencies

If approved, the City would accept CDBG Program proposals from social service organizations that will address the top priority needs in the Consolidated Plan.

Staff proposes the following criteria be used in screening and evaluating proposals from social service agencies:

A CDBG Program-funded social service agency would propose to address the needs of one of the following populations: (1) homeless single men in need of emergency shelter, (2) unsheltered homeless persons in need of appropriate supportive services, (3) homeless individuals in need of permanent housing, (4) very low- and low-income families with children, (5) homeless families with children in need of permanent housing, (6)

supportive services for persons with HIV/AIDS, (7) supportive permanent housing for the severely mentally ill, (8) treatment and prevention programs for persons with substance abuse addictions, (9) programs meeting the needs of the elderly and disabled, and (10) victims of domestic violence. If awarded funding, these agencies must maintain household income and related documentation to verify benefit and services to one of these populations.

Social service agencies must document that they are chartered as a 501(c)(3) organization, submit other eligibility documents, provide evidence that they are fiscally sound, and meet the City's insurance requirements. All agencies will submit a proposed CDBG Program budget (simple line item) for direct costs only, an overall organizational budget, and a financial audit or financial statements as applicable. All agencies must also submit written fiscal and personnel policies and procedures.

According to HUD guidelines, the City must expend CDBG Program funds promptly. Therefore, staff recommends that the City only consider funding public service activities that have the best chance to be delivered in a timely manner.

Proposed Availability of Proposals and Proposal Deadline

Staff recommends that it prepare proposals for non-profit agencies to complete, as applicable, and to make them available not later than **Tuesday, January 4, 2022**, with a deadline for organizations to return completed proposals **not later than 3:00 p. m. (PST) on Tuesday, February 8, 2022**.

In fairness to those agencies that participate in the funding process from the beginning, and to ensure an orderly process, staff recommends that the Commission and the City Council not consider any proposal that is submitted after the **February 8, 2022** deadline, or that is substantially incomplete, **with no exceptions**. After **January 4, 2022** but prior to **February 8, 2022**, staff will hold a **mandatory** Notice of Funding Availability ("NOFA") Workshop for prospective social service and housing agencies that wish to submit proposals, in order for staff to provide an overview of program and City requirements, and to provide technical assistance if needed. **The City will not accept a proposal from any organization that does not attend the Workshop.**

FY 2022-23 Funding Agreements

After the City Council allocates CDBG Program and HOME Program funds in the Spring of 2022, agencies awarded funding will execute an Agreement with the City in a timely manner. Agreements will take effect on **July 1, 2022**. Some of the elements in the Agreement will be: (1) quarterly reports on number and characteristics of beneficiaries must be submitted; and (2) City staff will conduct quarterly reviews or meetings with the agencies, as well as virtual and on-site monitoring visits at the social service and housing agency locations, in order to review client and agency files and records, and program progress. HUD officials may also conduct virtual or on-site monitoring visits of non-profit agencies receiving CDBG Program or HOME Program funding from the City in FY 2022-23.

FISCAL IMPACT

If approved, the Commission and City Council's action will establish a funding process for the allocation of CDBG Program and HOME Program funds in FY 2022-23, in an estimated total amount of \$1.8 million. The City's application for FY 2022-23 CDBG Program and HOME Program funds, also known as an "Annual Action Plan", must be received by HUD by not later than **May 13, 2022**, unless otherwise directed by HUD. There is no fiscal impact to the General Fund associated with this item.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

None.

CONTACT

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