

PUBLIC HEARING

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT 2014/2015 ACTION PLAN

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: The U.S. Department of Housing and Urban Development (HUD) requires all Community Development Block Grant (CDBG) entitlement cities to prepare a three- or five-year Consolidated Plan. Porterville's 2010 Five-Year Consolidated Plan was adopted by the City Council on May 4, 2010, and subsequently submitted to and approved by HUD. This 2014/2015 Action Plan reflects the fifth year investment plan within the scope of the Consolidated Plan. Grantees have until August 2014 to submit an Action Plan to HUD.

The Action Plan, provided as Attachment No. 1, identifies activities the City will undertake during the next year to address priority needs of lower income households. Proposed activities are designed to benefit lower income households by maintaining affordable housing, achieving public housing improvements, removing barriers to affordable housing, evaluating and reducing lead-based hazards, reducing the number of households with incomes below the poverty line, improving job availability, enhancing the institutional structure to address the needs of lower income households, addressing obstacles to meeting underserved needs, and enhancing coordination between public and private housing and social service agencies.

The Action Plan presents ongoing and proposed CDBG funded programs for the Fiscal Year beginning July 1, 2014, through June 30, 2015. Implementation of the Action Plan includes administering approximately \$667,621 of 2014/2015 CDBG entitlement funds for a variety of programs and projects accompanied by program income generated by the First-Time Low Income Home Buyer Program, the Owner Occupied Housing Rehabilitation and Public Utility Program, and the Business Assistance Loan Program. The proposed entitlement funds are lower than the 2013/2014 allocation by 7%.

The table below provides an overview of the entitlement funding allocation as presented to the Citizens Advisory and Housing Opportunity Committee, plus the funds available from previous years' unexpended entitlement and program income, as well as anticipated program income for the fiscal year.

DD JB Approp./Funded M/S CM JH ACTING ITEM NO. 21

**PROPOSED CDBG BUDGET  
14/15 ACTION PLAN**

<b>PROGRAM</b>	<b>2014-2015 Entitlement Allocation \$667,621</b>	<b>Anticipated Program Income 14-15</b>	<b>Expected carry over</b>	<b>Estimated Total Program Funds Available for 2014/2015</b>
Administration	\$158,324 (20% cap of Entitlement + 20% of anticipated program income)	\$0	\$0	\$158,324
City -Operated Youth Center	\$104,615 Part of 15% Public Service	\$0	\$0	\$104,615
Shelter Plus Care Program for the Homeless	\$ 15,000 Part of 15% Public Service			\$ 15,000
Continuum of Care	\$ 5,000 Part of 15% Public Service	\$0	\$0	\$ 5,000
First Time Low Income Homebuyer	\$0	\$20,000	\$90,500 PI	\$110,500
Homebuyer Education Program	\$0	\$0	\$2,700	\$ 2,700
Owner Occupied Housing Rehab & Public Utilities Loan Program	\$0	\$10,000	\$131,500 En \$74,000 PI	\$215,500
Parks Improvement Program (Murry and Lime Street)	\$0	\$0	\$ 76,700 Murry Park \$ 7,900 Lime St. Park	\$ 84,600
Business Assistance Program	\$39,987	\$563,000*	\$342,800	\$945,787
Section 108 Debt Service	\$344,695			\$344,695
<b>Total</b>	<b>\$667,621</b>	<b>\$593,000</b>	<b>\$736,100</b>	<b>\$1,976,721</b>

\*Repayment of the CDBG loan of \$470,000 is contingent upon the closing of escrow of the Porterville Hotel project.

Providing ongoing youth activities is a high priority within the community. The City's Parks & Leisure Services Department has been operating the City's Youth Center since 1997 and has been located at the Heritage Center for eight years. Anticipated CDBG funding to the Parks & Leisure Services Department to administer the ongoing youth recreational program, inclusive of new program elements within Census Tract 41, is \$104,615. The Parks & Leisure Services proposal and budget for operating the Youth Center is included in the Action Plan, Section VIII. Additionally, this is the fourth year of \$15,000 being pledged to be expended as match for the Shelter + Care Program vouchers awarded through the Continuum of Care to address homelessness in the community; and the second year that \$5,000 entitlement funds are awarded to the Continuum of Care on Homelessness to assist with Project Homeless Connect and Point in Time Survey and the writing of applications for HUD funding. These three programs together will make up the allowed 15% allocation of the annual entitlement for public service projects.

In 2005/06, the City completed the construction of the Heritage Center building in Census Tract 41 utilizing Section 108 loan funds. Additional improvements, including the development of the parking lot for the future ball fields, utilized the remaining loan funds. Using CDBG-R stimulus funds, along with other grant sources, construction was completed on the Rails to Trails Project that runs adjacent to the Heritage Center. The entitlement allocation for debt payments on the Section 108 loan in 2014/15 will be \$344,695 or 52% of the anticipated entitlement allocation. It is also important to note that the amount of debt service payments will continue to increase by \$3,500 annually until 2019/20 when the debt payment will be \$357,733. The total debt will be paid in 2023/24.

Administration of the CDBG program will be allocated \$158,324, which is the allowed 20% of the entitlement plus 20% of anticipated program income for the year.

Entitlement funds in the amount of \$39,987 are being designated to the Business Assistance Program to refurbish blighted and deteriorated parking lots in the downtown area which will provide benefits to the businesses in the commercial district.

The Owner Occupied Housing Rehabilitation and Public Utilities Loan Program (HRLP) including a new component to assist disabled and elderly homeowners with wheelchair ramp construction projects, and the First Time Low-Income Home Buyer Program (FTHB) will be funded from other grant sources (i.e. HOME and CalHOME), unexpended entitlement funds and program income. The Homebuyer Education Program and the Business Assistance Program will utilize unexpended entitlement funds from previous years' allocations and program income. The Neighborhood Improvement and Park Improvement Programs will also utilize unexpended entitlement funds from previous years' allocations.

Revised program models are included in the attached Action Plan.

On March 10, 2014, the CDBG Citizens' Advisory and Housing Opportunity Committee (Committee) held the first public hearing to consider the proposed projects for the 2014/2015 Action Plan. On April 7, 2014, the Committee held a second public hearing to consider the proposed 2014/2015 Action Plan. The Committee unanimously recommended approval of the proposed Action Plan, as presented. Public notices were published both in English and Spanish for the above mentioned public hearings. A public notice was also published in English and Spanish announcing the thirty-day comment and review period which ended May 28, 2014. No written comments were received from the public.

RECOMMENDATIONS: That the City Council:

1. Adopt the draft resolution approving the 2014/2015 and the proposed program models; and
2. Direct staff to submit the 2014/2015 Action Plan to HUD.

ATTACHMENTS:

1. 2014/2015 Action Plan Including Program Models
2. CDBG Action Plan Resolution

Draft  
City of Porterville  
Community Development Block Grant  
2014/2015 Action Plan

Due to the size of the document, this  
item is available at the following  
locations for review:

Community Development Department Counter  
Public Library Counter  
City of Porterville Website @

<http://www.ci.porterville.ca.us/documents/CDBG2014-2015ActionPlan.pdf>

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

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PORTERVILLE APPROVING THE 2014/2015 ACTION PLAN,  
ACCOMPANYING PROGRAM MODELS AND PROPOSED USE OF COMMUNITY  
DEVELOPMENT BLOCK GRANT FUNDS

BE IT HEREBY RESOLVED that the City Council of the City of Porterville does hereby approve the 2014/2015 Action Plan, accompanying Program Models, and proposed use of Community Development Block Grant Funds with a 2014 Program Year Entitlement Allocation as follows:

Administration	\$158,324
City-Operated Youth Center	\$104,615
Shelter Plus Care Voucher Program	\$ 15,000
Continuum of Care on Homelessness	\$ 5,000
Business Assistance Program	\$ 39,987
Section 108 Debt Service	<u>\$344,695</u>
<b>Total Funding:</b>	<b>\$667,621</b>

PASSED, APPROVED, and ADOPTED this 17<sup>th</sup> day of June, 2014.

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Cameron J. Hamilton, Mayor

ATTEST:  
John D. Lollis, City Clerk

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By: Patrice Hildreth, Chief Deputy City Clerk

**ATTACHMENT NO. 2**