

Agenda Report



MEETING DATE: Tuesday, July 9, 2024

TO: City Council

FROM: COMMUNITY DEVELOPMENT DIRECTOR MERRIAM
HOUSING MANAGER CARLOS LANDAVERRY
ADMINISTRATIVE ANALYST ANGELA PAZ

SUBJECT: SUBMITTAL OF THE 2024-2025 COMMUNITY DEVELOPMENT
BLOCK GRANT ANNUAL ACTION PLAN TO THE U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND
FIND THAT THIS ACTION IS NOT SUBJECT TO CEQA, AS THE
ACTION IS NOT A PROJECT AS DEFINED IN SECTION 15378(B)
(2) OF

RECOMMENDED ACTION:

Staff recommends that the City Council adopt a Resolution approving the Community Development Block Grant Annual Action Plan for the fiscal year 2024-2025, and authorizing the City Manager to submit the same to the United States Department of Housing and Urban Development for approval, with any possible adjustments to the funding levels, and with clarifying and/or non-substantive modifications, as necessary.

DISCUSSION:

The City of Watsonville (City), as a HUD entitlement community, must adopt a five-year Consolidated Plan for HUD approval, which serves as the planning guide in determining how the City's allocation of CDBG funds will be utilized over the five-year period. The five-year Consolidated Plan provides:

1. An assessment of the housing and community development needs,
2. A strategic plan for addressing these needs, and
3. An annual Action Plan that outlines how the CDBG funds will be used each year.

This is the last year of the City's 2020-2024 Consolidated Plan, which was submitted to HUD and was approved. To meet the community's needs, the Consolidated Plan is guided by the following goals:

1. Affordable Housing;
2. Economic Development;
3. Public Services; and
4. Public Facilities.

The draft 2024-2025 Action Plan includes the following new and continuing activities:

Project Name	Description/Activities
Section 108 Loan Repayment	Planned loan repayment under Section 108. City used funds to construct the new Civic Plaza parking garage to spur on development and job creation. The project only includes planned repayments of the Section 108 Loan (this year marks the last remaining payment for the Section 108 Loan).
Youth Center Staffing	Funding will be used for Parks and Community services staff at the Gene Hoularis Waldo Rodriguez Youth Center, which provides recreational services to approximately 100 youth each day. The Youth Center provides a variety of recreation and neighborhood services programs that benefit the City's youth. The recreational programs will focus on, sports, games, arts & crafts, and other learning programs.
Code Enforcement (Affordable Housing)	The proposed funding will be used to operate a code enforcement program in target areas to address and inspect illegal and unsafe construction, substandard housing and property maintenance issues throughout the City. In addition, City staff will hold community educational trainings and presentations in low-income areas to ensure that real properties do not reach a state of deterioration or disrepair.
Administration and Planning	Planning administration and management of the CDBG Program. Oversight will include reporting, expenditure tracking, IDIS entry, action plan development, monitoring, citizen participation, program guidelines, housing rehabilitation program, contract management and compliance.
Micro-Enterprise Business Technical Assistance	In order to strengthen local entrepreneurship in Watsonville, the City will provide funds to El Pajaro Community Development Corporation, a non-profit organization, to manage the Plaza Vigil Business Incubator program that focuses on providing micro-enterprise business technical assistance and general technical assistance to small businesses. The activity will also provide funding for the Incubator Without Walls program, which provides business training and technical assistance to Watsonville business start-ups and entrepreneurs.
Ramsay Park Playground Phase II	The Park will add an all-inclusive Playground to the amenities as described in the Ramsay Park Master Plan. The Playground will serve youth from 5-12 years old of all abilities and is scheduled for construction in 2024 with a completion date of 2025.

In drafting the annual Action Plan, staff considered 2024-2025 CIP projects that may be eligible for partial funding through CDBG, and conducted public outreach through several avenues including social media, local papers and public events to gain input from the

community on suggestions for the use of funds. In-person community meetings were held on January 25, February 26, and March 22, 2024, to solicit public comments on the use of CDBG funds, and a draft of the 2024-2025 Action Plan was made available for public review and comment beginning April 8, 2024 in compliance with HUD regulations. To date, no public comments have been received, which is not unusual as CDBG funding categories are very restrictive and the reporting requirements are onerous.

The proposed 2024-2025 Action Plan is due to HUD by no later than August 16, 2024. This fiscal year the City's allocation decreased by 0.36%, but additional funding is available (unused funds) due to receiving higher than anticipated program income for Fiscal Year 2023-2024. The proposed activities and funding for the 2024-2025 Action Plan are summarized below:

Estimated Revenue

CDBG Entitlement Program Year 2024 (HUD Actual)	\$660,935
Available unused funds	\$100,000
Estimated Program Income receipts during Fiscal Year 2023-24	<u>\$80,000</u>
Total anticipated to be available	\$840,935

Proposed Activities

Youth Center Staffing	\$114,064
Code Enforcement	\$150,000
Micro/Small Business Assistance Program (EPCDC)	\$100,000
Section 108 Loan Repayment – Civic Plaza Parking Structure	\$172,423
Program Administration	\$148,187
Ramsey Park Playground Phase II	<u>\$156,261</u>
Total Proposed Allocations	\$840,935

Contingency Activities

Contingency activities (back-up activities) may be funded if sufficient additional CDBG program income and/or funds become available due to cancellation of any previously approved activities. Cancellation of activities occurs when construction requirements and/or budget constraints cannot be met. There are no contingency activities proposed for the 2024-2025 Action Plan.

STRATEGIC PLAN:

Activities proposed in the 2024-2025 Action Plan are consistent with the following City's Strategic Plan.

- 1-Economic Development
- 2-Infrastructure & Environment
- 3-Housing
- 4-Fiscal Health

6-Community Engagement & Well-being
7-Efficient and Well-performing Government

CEQA

The preparation and submittal of the Action Plan is not subject to CEQA, as the action is not a project as defined in Section 15378(b) (2) of the Public Resources Code, and therefore no further review is required.

FINANCIAL IMPACT:

There will be no financial impact to the General Fund. Funding for the proposed activities will be provided by the Community Development Block Grant.

ALTERNATIVE ACTION:

The City Council could direct staff to amend the proposed 2024-2025 Action Plan.

ATTACHMENTS AND/OR REFERENCES (If any):

None