



Agenda Report

MEETING DATE: Tuesday, May 11, 2021

TO: City Council

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

SUBJECT: PUBLIC HEARING AND RESOLUTION AUTHORIZING SUBMITTAL
OF THE 2021-2022 COMMUNITY DEVELOPMENT BLOCK GRANT
ANNUAL ACTION PLAN TO THE U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

STATEMENT OF ISSUES:

Public Hearing and Resolution authorizing submittal of the 2021-2022 Community Development Block Grant Annual Action Plan to the U.S. Department of Housing and Urban Development.

RECOMMENDED ACTION:

It is recommended that the City Council, following a public hearing, approve the submittal of the Community Development Block Grant (CDBG) 2021-2022 Annual Action Plan, which governs the use of CDBG funds, to the United States Department of Housing and Urban Development (HUD).

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 year two of the City's 2020-2024 Consolidated Plan (attached for reference), which was submitted to HUD and was recently approved. To meet the community's needs, the Consolidated Plan is guided by the following goals: Affordable Housing, Economic Development, Public Services and Public Facilities.

The draft 2021-2022 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.
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, 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.
Housing Rehabilitation (Affordable Housing)	The on-going Watsonville Housing Rehabilitation Program assists in the rehabilitation of homes owned or rented by low- and moderate-income residents that are found to be deteriorated, deteriorating, and/or unsafe living conditions. In addition to the provision of low-interest loans for rehabilitation projects, City staff assists eligible participants to develop the scope of work, plans and specifications for their projects, and handle contract bidding and construction management.

Ramsay Park Accessibility & Parking Lot Improvements Ph. I	The parking lot is severely deteriorated and uneven, posing safety issues. Furthermore, there are very little ADA-accessible routes and the pedestrian conditions for the public using park are unsafe, which discourages park usage. This project would greatly expand and enhance pedestrian facilities, ADA-compliant access, and non-vehicular access throughout the park with the installation of sidewalks, transitions, trails, ADA ramps, striping, and parking lot resurfacing along with generally rehabilitating and preserving the public infrastructure for the future.
Senior Center Phase II	The Watsonville Senior Center has an outdated kitchen with a poor layout making it hard to access and utilize by the Center's senior citizen participants. Upgrades inside the building are necessary to optimize access. Cabinetry, plumbing, fixtures, and furnishings would be re-done to comply with commercial kitchen codes. Additionally, the Center's existing single pane doors and windows would be replaced with double-pane units which will make the building more energy efficient and save on heating and cooling costs.

Public input is a HUD requirement when drafting the annual Action Plan. Remote/teleconference public meetings were held on February 22, 2021 and March 25, 2021 to solicit public comments on the use of CDBG funds and a draft of the 2021-2022 Action Plan was made available for public review and comment beginning April 7, 2021 in compliance with HUD regulations. To date, no public comments have been received.

The proposed 2021-2022 Action Plan is due to HUD by May 15, 2021. In addition to an increase in the City's allocation, additional funding is available (unused funds) due to receipt of higher than anticipated program income for Fiscal Year 2020-2021. The proposed activities and funding for the 2021-2022 Action Plan are summarized below:

Estimated Revenue

CDBG Entitlement Program Year 2021 (HUD Actual)	\$798,441
Available unused funds	\$137,518
Estimated Program Income receipts during Fiscal Year 2021-22	<u>\$80,000</u>
Total anticipated to be available	\$1,015,959

Proposed Activities

Youth Center Staff	\$122,259
Code Enforcement	\$100,000
Micro/Small Business Assistance Program (EPCDC)	\$50,000
Section 108 Loan Repayment – Civic Plaza Parking Structure	\$161,934

Program Administration	\$131,766
Ramsay Park ADA Accessibility & Other Parking Lot Imp Phase I	\$200,000
Affordable Housing Rehabilitation	\$100,000
Senior Center Kitchen ADA and Other Improvements Phase II	\$150,000

Total Proposed Allocations	\$1,015,959
-----------------------------------	--------------------

Contingency Activities

Ramsay Park ADA Accessibility & Other Parking Lot Improvements Ph. II	\$200,000
Franich Park ADA Accessibility & Other Parking Lot Improvements	\$25,000
Ramsay Park Dog Park and ADA Accessibility Improvements	\$372,048
Peace Drive Park ADA Accessibility & Pedestrian Improvements	\$100,000

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.

STRATEGIC PLAN:

Activities proposed in the 2021-2022 Action Plan are consistent with the City's goals for Housing, Fiscal Health, Infrastructure & Environment, Economic Development and Community Engagement & Well-Being.

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 make amendments to the proposed 2021-2022 Action Plan.

ATTACHMENTS AND/OR REFERENCES (If any):

- 1) 2020-2024 Consolidated Plan (for reference)