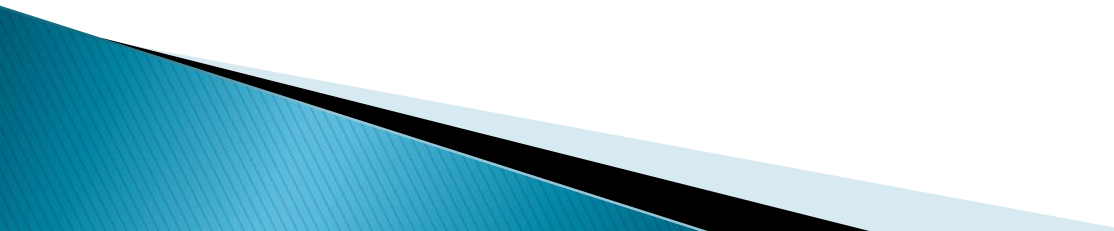


2021 Action Plan Community Development Block Grant (CDBG)

City of Watsonville
Community Development
Department

CDBG Background


- ▶ Program Overview
 - ▶ Goals and National Objectives
 - ▶ Eligible Activities
 - ▶ Requirements and Funding Priorities
- 

CDBG National Objectives


All CDBG activities must meet at least one of three National Objectives:

- ▶ Benefit Low- to Moderate-Income Persons or Households
 - at or below 80% of County median income
- ▶ Prevent or Eliminate Slum and Blight
- ▶ Serve Urgent Community Need
 - Natural Disaster Recovery, urgent public health measures

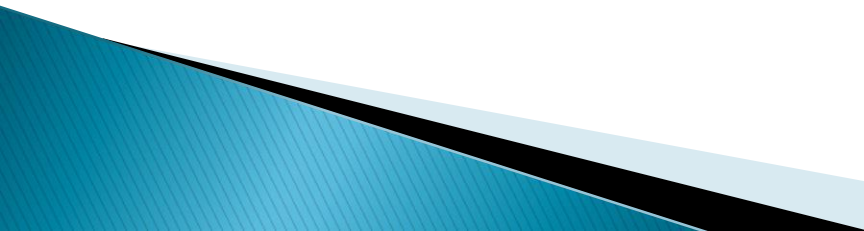
Examples of Eligible Activities

- ▶ Rehabilitation of housing and other buildings
 - ▶ Public facilities and infrastructure:
 - Construction and improvements of public utility systems, streets, neighborhood centers
 - ▶ Public Services (within limits 15% cap)
 - ▶ Energy conservation and renewable energy measures
 - ▶ Economic development and job creation/retention activities, and
 - ▶ Other activities meeting the National Objectives
- 

Examples of Ineligible Activities

- ▶ Acquisition, construction, or reconstruction of buildings for the general conduct of government
 - ▶ Equipment, operating and maintenance expenses
 - ▶ Political activities
 - ▶ Certain income payments:
 - ▶ Subsistence or welfare-type grants to an individual or family, and
 - ▶ Construction of new housing by local governments
- 

CDBG Funding Requirements

- ▶ At least 70% of block grant expenditures must “principally benefit” low- and moderate-income persons (overall benefit)
 - ▶ ALL CDBG expenditures must address at least one of the national objectives:
 - ▶ Low- and Moderate-Income Benefit
 - ▶ Elimination of Slum and Blight
 - ▶ Urgent Community Needs
- 

CDBG Priorities

- ▶ Affordable Housing
 - ▶ Economic Development
 - ▶ Public Services
 - ▶ Public Facilities
- 

CDBG Funds Available for 2021

Funds	Amount
2021 Entitlement Grant	\$798,441
Program Income (2021 Estimated Receipts)	\$80,000
2020 Unused Funds (for re-appropriation)	\$137,518
Total available	\$1,015,959

2021 CDBG Funding Proposal

Activity Summary	Amount
Public Services (Statutory limit: 15% of total)	\$122,259
Affordable Housing	\$200,000
Economic Development	\$50,000
Public Facilities	\$350,000
Loan Repayment	\$161,934
Planning and Administration (Statutory limit: 20% of total)	\$131,766
Total	\$1,015,959

Public Services

- ▶ Youth Center Recreation Services \$122,259

Operation of the City's youth recreation programs to provide youngsters with positive alternatives to crime, drugs and gangs; and safe educational and healthy after-school activities

Affordable Housing

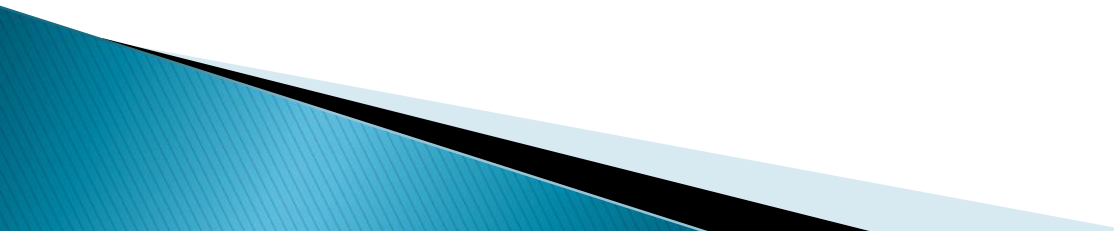
- ▶ **Housing Rehabilitation Program** **\$100,000**
 - Deferred and/or low-interest loans for rehabilitation and repair of housing owned and/or occupied by lower income households

- ▶ **Code Enforcement** **\$100,000**
 - Funding for two full-time code enforcement officers

Economic Development

- ▶ Small Business / Microenterprise \$50,000
 - El Pájaro Community Development Corporation
- ▶ Section 108 Loan Payment \$161,934
 - Civic Plaza Parking Structure debt service

Public Facilities

- ▶ Ramsay Park ADA Accessibility and Parking Lot Improvements Ph. I
\$200,000
 - ▶ Senior Center ADA Kitchen and Other Improvements Ph. II
\$150,000
- 

Planning and Administration

- ▶ General Program Administration
\$131,766
 - Plans and studies, accounting, budgeting, reporting, planning, program guidelines and monitoring of CDBG activities

Staff Recommendation

- ▶ Staff recommends that following the public hearing, the City Council adopt a Resolution to approve the submittal of the 2021-2022 Annual Action Plan