



Legislation Text

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SUBJECT: Further Discussion, Additional Information, and Project Alternatives Regarding Community Development Block Grant Project Funding for the U.S. Department of Housing and Urban Development (HUD) 2023 Annual Action Plan

REPORT IN BRIEF

Provides additional project information and alternative options for Council consideration regarding 2023 Annual Action Plan project funding proposals, following Council direction received at the Public Hearing on March 20, 2023.

RECOMMENDATION

City Council -

- A. Discuss and provide additional direction and/or comments to staff regarding the 2023 revised preliminary project funding for inclusion into the 2023 Annual Action Plan; and,
- B. Though not a Public Hearing, provide an opportunity for the public to comment on project funding options.

ALTERNATIVES

No Council Motion or Approval is required for this discussion.

AUTHORITY

HUD requires, per Title 24 of the Code of Federal Regulations Section 91, that participating local government jurisdictions involve citizens in the development of the Annual Action Plan and any subsequent substantial amendments; the City of Merced Housing Division Citizen Participation Plan (Amended); and, the Charter of the City of Merced, Section 405, 409, and 411, et seq.

CITY COUNCIL PRIORITIES

As provided for in the 2022-23 Adopted Budget; and both the 2022-23 and 2023-24 Council Goals and Priorities.

DISCUSSION

At the March 20, 2023, Public Hearing, Merced City Housing Division staff introduced the non-profit project funding requests, anticipated funding resources, and proposed project funding expenditures for the use of U.S. Department of Housing and Urban Development (HUD) Community Development

Block Grant Program (CDBG) and Home Investment Partnership Program (HOME) funds during the 2023-24 program/fiscal year and that are to be included in the Final Draft of the 2023 Annual Action Plan. Staff also explained the steps made thus far towards completion of the Draft Annual Plan and the inclusion of resident, local agency, and community organization participation and input into the process, which included public outreach, public meetings, a needs assessment process, and a Non-profit funding application process (Attachment 4). Staff explained the results of the Needs Assessment Survey that was carried out December 2022 - February 2023, and to which project funding aims to address through the Annual Plan over the coming program year. Council also received public comment during the Public Hearing.

CDBG Public Service Project Funding

At the last meeting, Council gave staff direction regarding Public Service funding priorities, in order to reduce proposed project funding to match the 15% cap required, as staff had received more funding requests than will be available. As a result of this direction, all public service projects will tentatively receive funding at the amount requested, with the exception of Project Sentinel's Tenant and Landlord Counseling services proposal, which was reduced to the balance remaining after subtracting the total of other public service fund requests. Please refer to Attachment 1 for these final amounts.

CDBG and HOME Housing and Economic Development-Related Project Funding

At the last meeting, Council reviewed and discussed housing-related project funding and preliminarily accepted all planned housing projects, except for Sierra Saving Grace's (SSG) Supportive Housing-Acquisition with Rehabilitation project, given the number and complexity of the property purchase/rehab projects that SSG is currently working on with 2022 and prior-year funding awards. SSG had requested a total of \$500,000 towards purchase and rehab activities for the 2023 program year, and \$50,000 would be set aside for Housing Division admin/activity delivery costs (ADC), for a total of \$550,000 for the project.

Council also requested more information about the CDBG Economic Development/ Microenterprise project proposed by WeeCare, Inc. for the "Business Operation and Optimization Support Tools (BOOST)" program for small-family childcare service owner support. The project proposed to benefit low- to moderate-income (LMI) childcare business owners by providing them support tools and services to help them run their services more efficiently. Per Council request, much more detailed information about the WeeCare program is provided at Attachment 3. WeeCare had requested a total of \$84,000, which they will match dollar-for-dollar, if awarded.

As a result of discussion regarding both the SSG and WeeCare proposals (totaling \$634,000 CDBG), Council requested staff return with alternative project funding options, to potentially consider using the funds towards other eligible projects. After reviewing other potential uses, staff is providing an alternative project, which is described under "CDBG Public Facility/Infrastructure Projects" in the next section below.

Please see Attachment 1 for both CDBG and HOME housing- and economic-development related funding proposal totals. All project descriptions were included in the March 20, 2023, Administrative staff report at Attachment 4.

CDBG Public Facility/Infrastructure Projects

In the March 20, 2023, report and at the last meeting, staff reviewed all proposed public facility and infrastructure projects and Council indicated these were acceptable.

However, as a result of Council's request for the alternative funding option(s) discussed above, the following is an additional use of CDBG funds for Public Facilities which staff requests Council consider as an eligible alternative, described as follows:

- Organization: City of Merced Fire Department
Program: Health Education Assessment/Referral Team (HEART)
Requested: \$632,000 (CDBG)
Program Description: The City of Merced Fire Department (MFD) proposes to use \$632,000 of CDBG funds to purchase and equip two Emergency Medical Service (EMS) health education assessment/referral team (HEART) vehicles and one off-road Emergency Assessment Vehicle (EAV). In 2022, the MFD responded to 11,672 calls for service, with the vast majority of the calls being for EMS response. Currently, service gaps exist between the time requirements of the local ambulance contractor to respond to Code 3 "lights and siren" calls and the ability of MFD EMT's to respond to Code 2 non-emergent calls the local contractor cannot service. With the use of CDBG funding, MFD has the opportunity to provide medical assessments and transport in a timely manner for those Code 2 calls.

Each HEART vehicle would be staffed by two first responders and would essentially be an ambulance. In addition to EMT service, each HEART vehicle would go in-service with a mid-level practitioner approximately one time per week and establish pop-up health clinics in predominantly LMI areas within the city limits. The HEART vehicles would also stay available to respond to the needs of the local hospital to provide ambulance transport. Post-pandemic, HEART vehicles could also provide regular vaccine and preventative health service programs to the homeless. Additionally, during large structure fires, a HEART vehicle will be able to respond on-scene to provide medical aid to fire victims.

The EAV unit would be utilized to access off-road and other hard-to-reach areas of the City that are not accessible by normal vehicles or ambulances to provide EMS services directly to the unhoused/ homeless. The EAV would be a 4x4 SUV and would be equipped to have full response and treatment capabilities.

All three proposed vehicles would provide an increase in the level of service provided to LMI and homeless individuals within the city limits, which meets HUD National Objective and Eligibility requirements to be included for 2023 Annual Plan funding. Though this is not a HUD-categorized "public service" project, provision of services to the homeless was ranked the #2 most needed public service in the 2023 Community Needs Assessment Survey, with services for Special Needs populations ranked #1. Additionally, "Improving Neighborhood and Public Facilities/Infrastructure" was ranked the #1 Neighborhood Improvement need. As such, Housing staff recommends Council consideration of this alternative project.

The project would not include any percentage for administrative activity delivery costs. An

environmental review will be required under the National Environmental Protection Act (NEPA) for this alternative proposal.

CDBG and HOME Administrative Funding

No changes have been made to Administrative funding amounts since the last meeting, and no changes are expected. Please see Attachments 1 and 4 for more information.

Next Steps

Currently, the 30-day Public Review and Comment Period is in progress, which began on March 31, 2023, and will run through Monday, May 1, 2023. Though the April 17th meeting was not included in the published notice for Annual Action Plan public hearings- thus this is not a public hearing - Housing staff encourages public comment be collected at tonight's meeting, to fulfill the City's responsibility to include Merced City resident input in all Annual Plan funding decisions.

A second and final public hearing will be held at the Council meeting of May 1, 2023, where Council will be asked to approve final project funding and the final draft of the plan.

Housing staff is on track to submit a Council-approved 2023 Annual Action Plan to HUD by May 15, 2023. An on-time submission ensures that the programs approved with the plan are able to implement and complete their programs in a timely fashion.

IMPACT ON CITY RESOURCES

No budget or appropriation action is required at this time.

Funding for the 2023 HUD Annual Action Plan is representative of the 2023-24 Housing Division budget in the concurrent development of the overall City budget for the upcoming City fiscal year. Funds presented as CDBG and HOME anticipated allocations were the amounts included in the nationwide announcement of allocations by HUD on February 27, 2023, and will be the City's 2023-24 allocations unless corrected by HUD with amendment notifications or other processes.

ATTACHMENTS

1. 2023 Annual Action Plan Project List
2. Merced City Fire Department Proposal - HEART/EAV Vehicles
3. WeeCare Program Information
4. March 20, 2023 Administrative Report