

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 11/10/2015	(3) CONTACT/PHONE Tony Navarro, Planner III / (805)781-5787	
(4) SUBJECT Hearing to consider a resolution approving and authorizing submittal of proposed amendments to the Urban County of San Luis Obispo Program Year 2010, 2011, 2013 and 2014 Action Plans for Community Development Block Grant (CDBG) funds as requested: 1) by the City of Arroyo Grande to create a new project, and 2) by the County of San Luis Obispo to eliminate a project while reallocating funds to an existing project. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board 1. Adopt the attached resolution approving and authorizing submittal of proposed amendments to the Program Year 2010, 2011, 2013, and 2014 Action Plan as requested: 1) by the City of Arroyo Grande to create a new project, and 2) as requested by the County of San Luis Obispo to eliminate one project while reallocating funds to an existing project.			
(6) FUNDING SOURCE(S) CDBG funds	(7) CURRENT YEAR FINANCIAL IMPACT \$53,443.00	(8) ANNUAL FINANCIAL IMPACT \$53,443.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>10 minutes</u>) <input type="checkbox"/> Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: <u>May 4, 2010; May 20, 2011;</u> <u>March 5, 2013 and February 25, 2014</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Tony Navarro, Planner III

VIA: Matt Janssen, Division Manager, Policy and Programs

DATE: 11/10/2015

SUBJECT: Hearing to consider a resolution approving and authorizing submittal of proposed amendments to the Urban County of San Luis Obispo Program Year 2010, 2011, 2013 and 2014 Action Plans for Community Development Block Grant (CDBG) funds as requested: 1) by the City of Arroyo Grande to create a new project, and 2) by the County of San Luis Obispo to eliminate a project while reallocating funds to an existing project. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Adopt the attached resolution approving and authorizing submittal of proposed amendments to the Program Year 2010, 2011, 2013, and 2014 Action Plan as requested: 1) by the City of Arroyo Grande to create a new project, and 2) as requested by the County of San Luis Obispo to eliminate one project while reallocating funds to an existing project.

DISCUSSION

City of Arroyo Grande

The City of Arroyo Grande requests to reallocate \$15,556 in 2010, \$7,887 in 2011, \$10,000 in 2013 and \$5,000 in 2014 Community Development Block Grant (CDBG) funds to the Hoosegow Park ADA Project. See Table 1 below.

The reallocation of funds is necessary due to the repayment of CDBG funds by the City of Arroyo Grande after the U.S. Department of Housing and Urban Development (HUD) determined the City's code enforcement and two façade improvements projects did not meet CDBG eligibility criteria.

As a corrective measure to comply with federal regulations, the City of Arroyo Grande repaid \$23,443 spent for ineligible activities from the 2010 and 2011 Action Plans. HUD returns repaid funds to the County's CDBG line of credit for use on CDBG eligible activities. Therefore, the Arroyo Grande City Council reallocated the \$23,443 to the Hoosegow Park Americans with Disabilities Act (ADA) Improvements Project.

In addition to the reallocation of funds, the City Council eliminated all façade improvement projects in prior year Action Plans, totaling \$15,000, and reallocated the funds to the Hoosegow Park ADA Improvements Project.

The proposed reallocations of funds by the Arroyo Grande City Council, totaling \$38,443, are as follow in Table 1.

**Table 1 – Proposed Amendments to the
2010, 2011, 2013, and 2014 Action Plans – City of Arroyo Grande**

#	Projects	Reallocation
Amendment to the 2010 Action Plan		
1	Reallocate \$15,556 from the “Code Enforcement Project” to the “Hoosegow Park ADA Project” by the City of Arroyo Grande	\$15,556
Amendment to the 2011 Action Plan		
1	Reallocate \$7,887 from the “Façade Improvement Program” to the “Hoosegow Park ADA Project” by the City of Arroyo Grande	\$7,887
Amendment to the 2013 Action Plan		
1	Eliminate the “Façade Improvement Program” and reallocate \$10,000 to the “Hoosegow Park ADA Project” by the City of Arroyo Grande	\$10,000
Amendment to the 2014 Action Plan		
1	Eliminate the “Façade Improvement Program” and reallocate \$5,000 to the “Hoosegow Park ADA Project” by the City of Arroyo Grande	\$5,000

County of San Luis Obispo

The Central Coast Senior Center, located at 1580 Railroad Street in Oceano, received a \$15,000 award in 2014 CDBG funds to rehabilitate their asphalt parking lot. However, on October 6, 2015 the County received the attached letter (see Attachment 2) from the Central Coast Senior Center declining the award of the CDBG funds. According to the letter from Jim Guthrie, Treasure for the Central Coast Senior Center, the decision to decline the funds is due in part because “prevailing wages that will increase the projects costs” and “the level of regulatory oversight required by the CDBG program will further contribute to added project costs”.

Therefore, staff recommends the reallocation of the \$15,000 in 2014 CDBG funds to the Los Osos Wastewater Connections Project by the Department of Public Works. The reason being that staff anticipates an increased number of senior households to apply for assistance. HUD presumes seniors to be CDBG income eligible.

Public Works will use the funds to implement the financial assistance program for the Los Osos Wastewater Project to help CDBG income eligible homeowners abandon their septic system and install sewer laterals. Public Works hired a consultant, Peoples’ Self-Help Housing Corporation (PSHHC), to undertake the community outreach program and to determine the number of income eligible households in Los Osos. The increased funding to the Los Osos Wastewater Project will allow the consultant to process approximately 60 income verification applications for financial assistance.

The proposed reallocation of \$15,000 in 2014 CDBG funds will augment the 2015 CDBG award of \$70,035 for the Los Osos Wastewater Connections Project (\$15,000 + \$70,035 = \$85,035 total). Should a balance of funds remain after the completion of the community outreach by PSHHC, the funds will be used for direct financial assistance for the CDBG income eligible households to abandon their septic systems and install sewer laterals.

The proposed reallocation of these funds is as follows in Table 2.

Table 2 – Proposed Amendment to the 2014 Action Plan – County of San Luis Obispo

#	Projects	Reallocation
Amendment to the 2014 Action Plan		
1	Reallocate \$15,000 from the “Street and Parking Improvements Project” by the Central Coast Senior Center to the “Los Osos Wastewater Connections Project” by the County of San Luis Obispo Department of Public Works	\$15,000

OTHER AGENCY INVOLVEMENT/IMPACT

County staff consulted with HUD, the City of Arroyo Grande, the Central Coast Senior Center and the Department of Public Works on the proposed reallocations. County Counsel reviewed and approved the attached resolution as to form and legal effect.

FINANCIAL CONSIDERATIONS

The reallocations will be funded from previous allocated CDBG funds. The action will reallocate CDBG funding from existing projects to new projects in the amount of \$53,433.

RESULTS

The result of today’s hearing of reallocating CDBG funds is consistent with the countywide goals of a livable and a prosperous community as we as enable the Urban County of San Luis Obispo to meets its CDBG timeliness standard.

ATTACHMENTS

1. Attachment 1 – Resolution
2. Attachment 2 – Central Coast Senior Center Declination Letter