



City Council Staff Report

Subject: Public Hearing on the 2020 Federal Housing and Urban Development (HUD) Department Consolidated Annual Performance and Evaluation Report (CAPER) for the CDBG Program

Date: September 28, 2021

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Department: Community Development Department

Staff Recommendation:

Adopt a Resolution of the City Council of the City of Rocklin Authorizing Staff to submit the 2020 Consolidated Annual Performance and Evaluation Report (CAPER) and Authorizing the City Manager to Execute and File All Documents Required for Submittal to the U.S. Department of Housing and Urban Development (HUD)

BACKGROUND:

As a recipient of HUD Community Development Block Grant funds, the City of Rocklin must complete a Consolidated Annual Performance and Evaluation Report (CAPER) on an annual basis. The CAPER identifies programs and activities that the City undertook during the 2020 Program Year (PY) to meet the priority needs identified in the 5-year Consolidated Plan. In addition, the CAPER discusses actions that the City took to address barriers to affordable housing, public services for seniors and the homeless, and ADA improvements. The City was awarded \$279,064 for the 2020 Program Year. However, total resources available in PY 2020 were slightly more (\$297,554.61) due to carry overs from PY 2019 and unspent funds from previous years described in more detail later in this report. In addition, the City of Rocklin was awarded a total of \$463,302 in CDBG-CV funds (\$164,189 in CDBG-CV-1 funds and \$299,113 in CDBG-CV-3 funds) from the CARES Act in response to the COVID-19 pandemic to be used specifically for the prevention of, preparation for, and response to the Coronavirus.

On August 13, 2021, a draft of the CAPER was made available for a 15-day public review of the document. Notice of the Public Review Draft CAPER's availability, comment period and the scheduled public hearing before the City Council was published in the Placer Herald newspaper. The report was made available at City Hall and on the City's website. In addition, the notice was emailed to various service providers through dissemination by the Placer Collaborative Network (PCN) and The Placer Consortium on Homelessness (PCOH) list serves. Comments on the draft report were due by the end of the business

day, Monday, August 30, 2021. No comments were received.

Subject to any input from the City Council or the public, the report will be finalized and submitted to HUD for review and approval.

FINDINGS, CONCLUSIONS & RECOMMENDATIONS:

Findings:

Unspent Funds from Previous Years and PY 2020

There are some programs identified in previous Annual Action Plans that were unable to spend the total allocation amount awarded. Due to HUD's 15% spending caps associated with the public services category, these unspent funds will be reallocated to public facilities for the ADA improvement project identified in the 2020 Annual Action Plan. The additional funds include:

- \$10,881.67 – reallocation from un-committed PY 2019 funds (Primarily unspent funds from Salvation Army and Foothills Habitat for Humanity).
- Approximately \$7,608.94 - miscellaneous prior unspent funds from previous years grant programs.

Providing additional funds in the amount of approximately \$18,490.61 together with the original allocation of \$171,799.90 in the public facilities category will increase the funding for improvements within the public right of way and pedestrian paths of travel to benefit disabled individuals in PY 2020 to \$190,290.51. However, actual funds spent on ADA improvements in PY 2020 totaled \$187,255.00, leaving another \$3,035.51 of available funds in PY 2020 unspent.

CARES Act – CDBG-CV-1 and CDBG-CV-3

On April 2, 2020, the City was notified of an award of \$164,189 in CDBG-CV-1 funds from the CARES Act in response to the COVID-19 pandemic to be used specifically for the prevention of, preparation for, and response to the Coronavirus. The allocation of the CDBG-CV-1 funds was included in the first substantial amendment to the 2020 Annual Action Plan approved by the City Council on September 22, 2020. The programs identified in the first substantial amendment include:

- The Gathering Inn received \$45,189 in CDBG-CV-1 funds for a Mental Health Clinician position and \$20,000 for a medical clinic to prevent, prepare for, and respond to Coronavirus and its effects on homeless populations.
- Stand Up Placer received \$15,000 in CDBG-CV-1 funds to respond to needs for services stemming from Coronavirus.
- Lighthouse received \$5,000 in CDBG-CV-1 funds for the basic essentials program, providing diapers and car seats to Rocklin residents who struggle to afford these supplies as a result of income reduction related to Coronavirus. Lifehouse also received \$25,000 in CDBG-CV-1 funds

for a counseling program to respond to clients struggling with issues including, but not limited to, financial loss, at home school and childcare challenges, food insecurity, and caring for family members affected by COVID-19 or other issues directly related to Coronavirus.

- The Salvation Army received \$39,000 for the rental assistance program and \$15,000 for the food box program in CDBG-CV-1 funds to respond to income reductions related to Coronavirus.

On September 11, 2020, the City of Rocklin was also notified that it has received \$299,113 in a third round of CDBG-CV-3 funding from the CARES Act. Significant effort was made by the City to identify potential subrecipients for these funds including the issuance of two Notices of Funding Availability (NOFA's) and requests for proposals in December 2020 and May 2021, respectively. Proposals to receive the funds were only submitted by two entities and the combined amount requested was \$70,000. On August 10, 2021, the City Council approved the second substantial amendment to the 2020 Annual Action Plan and included the following programs:

- The Gathering Inn (TGI) to receive \$50,000 in CDBG-CV-3 funds to provide housing assistance (Rapid Rehousing & Homeless Prevention), employment assistance (required work-related supplies, short term transportation funding), and educational assistance (distance learning supplies, books, programs, etc.) to guests in TGI programs who have direct ties to Rocklin.
- The Salvation Army to receive \$20,000 in CDBG-CV-3 funds for the rental assistance program to respond to income reductions related to Coronavirus.
- The remaining \$229,113 in CDBG-CV-3 funds have been identified as "To be determined" in the Annual Action Plan to allow for future use if other activities are developed that can address the prevention of, preparation for, and response to the Coronavirus.

The subrecipient agreements for the programs identified in the CDBG-CV-1 award are in the process of being executed. Therefore, at the time of preparing the CAPER, no funds have been drawn down for those activities. The second substantial amendment to the 2020 Annual Action Plan to include CDBG-CV-3 funding was approved by the City Council on August 10, 2021. Once approved by HUD, subrecipient agreements for those funds will be executed. CDBG-CV-1 and CDBG-CV-3 funds must be expended within the same time period of 6 years from the date the CARES Act was executed on March 27, 2020 and in which 80% of the funds must be expended within 3 years.

The first table below identifies the total amount of CDBG and CDBG-CV funds that were made available to the City of Rocklin for FY 2020 and the amount of funds expended by the City of Rocklin in PY 2020. The second table below breaks down how much PY 2020 funding was budgeted to each subrecipient, how much was spent, how many households were assisted and the amount of funds to be carried over to PY 2021. This table does not include CDBG-CV-1 and CDBG-CV-3 projects/programs since those funds have yet to be expended. The third table below provides a description of the racial and ethnic composition of the families that were assisted in PY 2020.

Table 1 – Total FY 2020 Funds Available and PY 2020 Funds Expended			
Sources of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	CDBG	\$297,554.61 ¹	\$284,900.10
Other	CDBG-CV-1 and CDBG-CV-3	\$463,302	\$0

¹ Includes Final 2020 allocation of \$279,064 plus PY 2019 and prior years funds carryover of \$18,490.61.

Table 2 – PY 2020 Subrecipient Funding, Households Assisted and Status					
Project /Program	Strategic Plan Goal	Amount Budgeted	Amount Expended	Households Assisted	Status
Habitat for Humanity	Preserve existing housing through minor repair	\$9,619.00	\$0	0	Program temporarily discontinued as a result of safety concerns during the Coronavirus pandemic. Funds will be reallocated to public facilities for the ADA improvement project identified in the 2021 Annual Action Plan.
Public Facilities/ADA	Improve safety and accessibility in public	\$171,799.90	\$187,255.00	300	Additional funds in the amount of \$18,490.61 together with the amount budgeted of \$171,799.90 increased the funding to \$190,290.51. Actual funds spent totaled \$187,255.00. The remaining \$3,035.51 will be reallocated to public facilities for the ADA improvement project identified in the 2021 Annual Action Plan.
Senior Nutrition	Meet senior nutrition and social needs	\$13,953.20	\$13,953.20	105	All funds have been spent.

Table 2 – PY 2020 Subrecipient Funding, Households Assisted and Status

Project /Program	Strategic Plan Goal	Amount Budgeted	Amount Expended	Households Assisted	Status
Stand Up Placer	Provide mental health services	\$13,953.20	\$13,953.20	207	All funds have been spent.
Salvation Army	Reduce the risk of homelessness	\$13,953.20	\$13,953.20	32	All funds have been spent.
Planning/ Administration	Planning/ Administration	\$55,785.50	\$55,785.50	n/a	All funds have been spent.

Note - Increasing or reducing the amount allocated to an activity by less than 50% does not require an Annual Action Plan amendment.

Table 3 – PY 2020 Racial and Ethnic Composition of Assisted Families

	CDBG
White	252
Black or African American	32
Asian	7
American Indian or American Native	4
Native Hawaiian or Other Pacific Islander	2
American Indian/American Native & White	7
Asian & White	21
African American and White	16
American Indian/Alaskan Native & Black/African American	1
Other multi-racial	7
Total	349
Hispanic	54
Not Hispanic	295

Conclusion:

1. The City of Rocklin was awarded \$279,064 for PY 2020, which is slightly lower than the PY 2019 (\$282,687). The City also had a remaining amount of \$10,881.67 from un-committed PY 2019 funds (primarily unspent funds from The Salvation Army and Foothills Habitat for Humanity) and approximately \$7,608.94 from miscellaneous prior unspent funds from previous years grant programs (i.e., total of \$18,490.61). Funding in PY 2020 went to City of Rocklin Public Facilities, Senior Nutrition, Stand Up Placer, The Salvation Army and Planning/Administration. No more than 15% can be expended on public services and no more than 20% can be expended on Planning/Administration during the program year.
2. Habitat for Humanity was budgeted \$9,619 and expended \$0. The subrecipient chose to temporarily discontinue the program as a result of safety concerns during the Coronavirus pandemic. In this program, volunteers enter the residents' homes and residents are typically

elderly adults. Therefore, there were no households assisted by the handyman program in PY 2020. The subrecipient will likely reapply for CDBG funds in the future to continue the program once it is safe to do so. The 2020 program year funds unspent by Habitat for Humanity will be carried over to the 2021 program year ADA improvements activity.

3. The City budgeted \$171,799.90 for Public Facilities / ADA improvements in program year 2020. Providing additional funds in the amount of approximately \$18,490.61 (i.e., unspent funds from PY 2019 Habitat for Humanity, Salvation Army and miscellaneous unspent funds from prior years programs) together with the original allocation of \$171,799.90 in the public facilities category increased the funding for improvements within the public right of way and pedestrian paths of travel to benefit disabled individuals in PY 2020 to \$190,290.51. However, actual funds spent on ADA improvements in PY 2020 totaled \$187,255.00, leaving another \$3,035.51 of available funds in PY 2020 unspent. These funds will also be carried over to the 2021 program year ADA improvements activity.
4. Senior Nutrition, Stand Up Placer and The Salvation Army were budgeted \$13,953.20 in PY 2020 and each expended all funds. Planning/Administration was budgeted \$55,785.50 and expended all funds.
5. The City has expended \$284,900.10 which represents 95.7% of its PY 2020 budget, which included the award and any carry-over from previous years. It should also be noted that separate from CDBG, \$60,000 was obligated for the Gathering Inn from the City of Rocklin Low Moderate Housing Asset Funds, to enhance services provided to the homeless.
6. The subrecipient agreements for the programs identified in the CDBG-CV-1 award are in the process of being executed. Therefore, at the time of preparing the CAPER, no funds have been drawn down. The second substantial amendment to the 2020 Annual Action Plan to include CDBG-CV-3 funding was approved by the City Council on August 10, 2021. Once approved by HUD, subrecipient agreements will be executed. CDBG-CV-1 and CDBG-CV-3 funds must be expended within the same time period of 6 years from the date the CARES Act was executed on March 27, 2020 and in which 80% of the funds must be expended within 3 years.
7. 2020 CAPER Public Comments – No public comments have been received as of the date of this publication.

Fiscal Impact:

The City was awarded \$279,064 from HUD for PY 2020 and had a remaining amount of \$10,881.67 and \$7,608.94 in miscellaneous prior unspent funds from previous years grant programs, making a total of \$297,554.61 available to be expended in PY 2020. The City expended \$284,900.10 in PY 2020 and the remaining \$12,654.51 will be re-allocated to PY 2021. A portion of the funding is set aside for administering the grant. Administrative functions include costs associated with preparing the CAPER and carrying out the requirements, including noticing.

Processing of the CAPER is necessary in order for the City to continue to receive CDBG funds annually.