

TO: Andrew P. Powers, City Manager

FROM: Kelvin Parker, Community Development Director

DATE: September 12, 2023

SUBJECT: **CDBG Program Year 2022-23 Consolidated Annual Performance and Evaluation Report**

RECOMMENDATION:

1. Approve Program Year (PY) 2022-23 Consolidated Annual Performance and Evaluation Report (CAPER) for submittal to the U.S. Department of Housing and Urban Development (HUD).
2. Find that this action is not a project as defined under the California Environmental Quality Act (CEQA).

FINANCIAL IMPACT:

No Additional Funding Requested. CAPER summarizes \$465,744.00 in Community Development Block Grant (CDBG) and \$250,545.16 in Community Development Block Grant Coronavirus (CDBG-CV) program expenditures in PY 2022-23 (July 1, 2022 to June 30, 2023). Minimal staff time required to prepare the report is included in the Adopted FY 2023-24 CDBG Fund Budget.

BACKGROUND:

The City is a participant in the Ventura County Regional Consolidated Plan, the five-year strategic umbrella plan for CDBG, HOME Investment Partnerships (HOME), and Emergency Solutions Grants (ESG) funding plans. As an entitlement CDBG city, HUD provides the City with direct funds each year to administer the Action Plan. In addition, the City received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to respond to the COVID-19 pandemic.

Activities supported by CDBG and CDBG-CV funds must primarily benefit lower-income persons and households. As a HUD grantee, the City is required to annually prepare and submit a CAPER describing CDBG-funded activities and expenditures.

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The amount of the City's CDBG grant fluctuates from year to year based on congressional allocations, the number of jurisdictions receiving grants, the number of low-income residents, and other Federal regulatory considerations (Attachment #1).

DISCUSSION/ANALYSIS:

CDBG

The PY 2022-23 grant allocation (CDBG PY 2022) totaled \$557,972.00. In addition, \$205,087.71 in unexpended prior year CDBG funds were carried forward, making the total projected budget \$763,059.71. PY 2022-23 expenditures included \$465,744.00 for housing rehabilitation, social service grants, and program administration. The remaining balance of \$297,315.71 is being carried forward to PY 2023-24. Attachment #2 shows a detailed outline of the CDBG PY 2022-23 CAPER, which Table 1 summarizes.

Table 1: PY 2022-23 CDBG Program Budget and Expenditure Summary*				
	Balance 6/30/2022	PY 2022-23 Allocation	PY 2022-23 Expenditures	Balance 6/30/2023
Community Projects	\$ 205,087.71	\$ 366,972.00	\$ 296,462.44	\$ 275,597.27
Public Services	0.00	81,000.00	81,000.00	0.00
Administration	0.00	110,000.00	88,281.56	21,718.44
Total	\$ 205,087.71	\$ 557,972.00	\$ 465,744.00	\$ 297,315.71

* Note: Actual numbers in CAPER may vary due to rounding.

Community Projects CDBG

The Community Projects expenditure for PY 2022-23 of \$296,462.44 consisted of one project from the 2021 CDBG Action Plan activity and three projects from the 2022 CDBG Action Plan activities. The goal to improve the supply of affordable housing met HUD's objective and outcomes of "Decent Housing and Sustainability (DH-3)."

- 2021 Habitat for Humanity's program activity over the past 2 years included expending \$15,812.56 in PY 2021-22 and \$59,187.44 in PY 2022-23 for repairs on 8 mobile homes. This rehab activity contract expired in December 2022, and from the total grant of \$75,000.00, \$9,226.60 was not spent and will be made available for future City Council allocation.
- 2022 Many Mansions' Richmond Terrace Apartment project has an open activity grant of \$172,000.00 for a capital improvement project involving

replacing and repainting exterior wood, conduits, and gutters. The improvements were delayed due to the weather and started in June 2023. Expected completion is December 2023 and will benefit 27 low-income units.

- 2022 Many Mansions' Hacienda de Feliz project expended \$192,000.00 for a capital improvements project involving replacing, repairing, and repainting stucco. The improvements were completed in June 2023 and benefited 25 low-income units.
- 2022 Senior Alliance for Empowerment's (SAFE) mobile home rehabilitation program activity expended \$45,275.00. This activity benefited 5 low-income units at various senior mobile home parks and was completed in June 2023. \$1,478.81 was not spent and will be made available for future City Council allocation.

Public Services CDBG

Three organizations received CDBG public services funding from the 2022 CDBG Action Plan for PY 2022-23 expending a total of \$81,000.00 and serving 1,987 non-homeless lower-income City residents. The goal to increase social services met HUD's objective and outcomes of "Suitable Living Environment and Accessibility (SL-1)."

- Westminster Free Clinic – Economic Response expended \$30,000.00.
- Senior Concerns – Meals on Wheels expended \$30,000.00.
- St. Vincent de Paul – Emergency Assistance expended \$21,000.00.

Administration CDBG

The administration budget of \$110,000.00 is less than 20 percent of the annual CDBG grant. The City can recover a portion of its CDBG program costs, including staffing, public notices, printing, overhead, and a Fair Housing Counseling program (a collaboration with the County of Ventura and the Housing Rights Center of Los Angeles). The City's administrative cost was \$88,281.56 with a remaining balance of \$21,718.44 that will be made available for future project allocation.

CDBG Ending Balance - June 30, 2023

The CDBG June 30, 2023 ending balance of \$297,315.71 consists of seven closed activities and one PY 2022 open activity, listed in Table 2. Of the closed activities, four activities from the 2021 CDBG Action Plans (totaling \$92,891.86) were

reallocated by City Council in the 2023 CDBG Action Plan with activity beginning July 1, 2023.

Table 2: CDBG Program Balance 6/30/2023		
CDBG Activity	Balance	Status
2020 closed activity #448 reallocated (July 2023)	\$ 58,880.36	Closed
2021 closed activity #494 reallocated (July 2023)	\$ 5,696.80	Closed
2021 closed activity #495 reallocated (July 2023)	\$ 5,392.03	Closed
2021 closed activity #500 reallocated (July 2023)	\$ 22,922.67	Closed
<i>Closed activities reallocated in 2023 Action Plan subtotal: \$92,891.86</i>		
2021 Habitat for Humanity Program activity #492	\$ 9,226.60	Closed
2022 SAFE activity #506	\$ 1,478.81	Closed
2022 Admin activity #510	\$ 21,718.44	Closed
<i>Closed activities for future City Council reallocation action subtotal: \$32,423.85</i>		
2022 Many Mansions Richmond Terrace activity #504	\$172,000.00	Open
CDBG Program Balance Total: \$ 297,315.71		

Reallocation for future City Council Action CDBG

One contract activity from the 2021 CDBG Action Plan with a balance of \$9,226.60 and one contract activity from the 2022 CDBG Action Plan with a balance of \$1,478.81 did not spend their full grant amount. The City's administrative CDBG budget was not fully expended with a remaining balance of \$21,718.44. In Spring of 2024, City staff will provide the 2024 CDBG Action Plan for City Council to reallocate the remaining \$32,423.85 to a Community Development activity.

Community Development Block Grant - Coronavirus (CDBG-CV)

Since CDBG-CV funds were created during an emergency pandemic, HUD designed the CAPER as the method to report all CDBG-CV activities and expenditures. Because HUD did not create a separate reporting system, the CAPER shows CDBG-CV activities from 2020 to 2023.

CDBG-CV PY 2020-21 CAPER (2020 CV CAPER)

City Council substantially amended the 2019-20 Action Plan in June 2020 to include \$340,016.00 of CDBG-CV funds for economic development activities, and again in November 2020 to include \$779,104.00 for public services and administration. The CDBG-CV CARES Act grant allocation totaled \$1,119,120.00,

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of which \$661,239.82 was expended in PY 2020-21 with a remaining balance of \$457,880.18 carried forward to PY 2021-22. The 2020 CV CAPER reported on the First and Second Substantial Amendments and activities, which are summarized in Table 3 below.

Table 3: PY 2020-21 CDBG-CV Program Budget and Expenditure Summary*			
	CDBG-CV Allocation	PY 2020-21 Expenditures	Balance 6/30/2021
Economic Development	\$ 340,016.00	\$ 260,000.00	\$ 80,016.00
Public Services	650,000.00	366,459.96	283,540.04
Administration	129,104.00	34,779.86	94,324.14
Total	\$ 1,119,120.00	\$ 661,239.82	\$ 457,880.18

* Note: Actual numbers in CAPER may vary due to rounding.

CDBG-CV PY 2021-22 CAPER (2021 CV CAPER)

During PY 2021-22, the City completed three COVID-19 public service activities and canceled one COVID-19 public service activity. Furthermore, the City had one substantial amendment and one minor amendment to the 2019 Action Plan to transfer CDBG-CV funds within existing CDBG-CV projects.

A substantial amendment requires a public needs assessment, an open CDBG-CV application, and a 30-day public review of the substantial amendment prior to a City Council Public Hearing before activity can potentially begin.

A minor amendment can be approved by the City Manager. The City's Citizen Participation Plan (City Council Resolution No. 2020-013) allows the City Manager to approve funding revisions to the City's CDBG Action Plan, provided said changes total less than 10 percent of the annual grant amount and funds transfer to an existing activity.

CDBG-CV PY 2021-22 Substantial Amendment

With the CDBG Review Committee's recommendation from the needs assessment applications, and after a duly noticed 30-day public review and City Council public hearing, City Council approved the Third Substantial Amendment on April 26, 2022.

The substantial amendment included transferring \$160,016.00 to COVID-19 Public Services of \$80,016.00 from COVID-19 Economic Development and \$80,000.00 from COVID-19 Administration (activity #485). In addition, the substantial amendment included \$78,401.29 in available Public Services (CDBG-CV) funds as of March 2022, consisting of \$50,000.00 from Harbor House COVID-19 Emergency Assistance (activity #489) and \$28,401.29 from Lutheran Social

Services (LSS) COVID-19 Non-Congregate Shelter (activity #486).

With the transfer of \$160,016.00 to COVID-19 Public Services and the existing available funds of \$78,401.29 in COVID-19 Public Services, the substantial amendment resulted in two COVID-19 Public Services activities with Turning Point Foundation for \$51,700.00, and LSS for \$183,300.00 beginning July 1, 2022. With allocating \$235,000.00 for COVID-19 homeless services to the two organizations, the substantial amendment had a remaining uncommitted COVID-19 Public Services balance of \$3,417.29.

CDBG-CV PY 2021-22 Minor Amendment

The City Manager approved the First Minor Amendment on June 22, 2022, to decrease the budget for COVID-19 Public Services and increase the budget for COVID-19 Administration by the uncommitted funds of \$32,411.91. The uncommitted funds comprised of \$3,417.29 on April 26, 2022, and \$28,994.62 from LSS COVID-19 Emergency Services closed activity #486 with HUD on May 10, 2022.

CDBG-CV PY 2022-23 Minor Amendment

The City Manager approved the Second Minor Amendment on April 5, 2023, to transfer CDBG-CV Administration (activity #502) funds of \$12,800.00 to existing CDBG-CV Homeless Public Service activity with Turning Point Foundation (Activity #502). With the additional funds of \$12,800.00 to Turning Point Foundation, the CDBG-CV contract was amended from \$51,700.00 to \$64,500.00.

Economic Development CDBG-CV

In PY 2020-21, the City's COVID-19 Small Business Grant program (activity #459 through #484) expenditure of \$260,000.00 consisted of 26 grants at \$10,000.00 each, supporting 150 employees or 82 Full Time Equivalent low-moderate income jobs in Thousand Oaks. The remaining project balance of \$80,016.00 was reallocated through the Third Substantial Amendment on April 26, 2022. The goal of economic development met HUD's objective and outcomes of "Sustainability and Economic Opportunity (EO-1)."

Public Services CDBG-CV

Five CDBG-CV public service grants expended \$366,459.96 in PY 2020-21, \$176,144.13 in PY 2021-22, and \$247,800.00 in PY 2022-23 for a total of \$790,404.09 serving 135 homeless and 34 non-homeless-lower-income-City-residents. One CDBG-CV public services \$50,000.00 grant for COVID-19 Emergency Assistance (activity #489) was canceled at the request of Harbor House and funds were reallocated through the Third Substantial Amendment on

April 26, 2022. The goal to provide social services met HUD's objective and outcomes of "Suitable Living Environment and Accessibility (SL-1)."

- LSS – COVID-19 Non-Congregate Shelter (activity #486) expended \$171,598.71 in PY 2020-21 with a remaining balance of \$28,401.29, which was reallocated through the Third Substantial Amendment on April 26, 2022.
- LSS – COVID-19 Emergency Services (activity #487) expended \$6,779.61 in PY 2020-21 and \$164,225.77 in PY 2021-22 with a remaining balance of \$28,994.62, which was reallocated through the First Minor Amendment on June 22, 2022.
- Harbor House – COVID-19 Winter Shelter (activity #488) expended \$188,081.64 in PY 2020-21 and \$11,918.36 in PY 2021-22.
- Turning Point Foundation – 2022 COVID-19 Our Place Safe Haven (activity #502) expended \$64,500.00 in PY 2022-23. This amount includes spending the \$12,800.00 that was transferred through the Second Minor Amendment on April 5, 2023.
- LSS – 2022 COVID-19 Non-Congregate Shelter (activity #503) expended \$183,300.00 in PY 2022-23.

Administration CDBG-CV

The original City administration budget of \$129,104.00 is less than 15 percent of the CDBG-CV grant to recover a portion of its CDBG program costs, including staffing, public notices, printing, and overhead. The City's administrative cost for CDBG-CV was \$34,779.86 in PY 2020-21 and \$31,190.89 in PY 2021-22. Through the Third Substantial Amendment on April 26, 2022, the budget was reduced by \$80,000.00, and through the First Minor Amendment on June 22, 2022, the budget was increased by \$32,411.91, for an ending June 30, 2022, CDBG-CV Administration (activity #485) balance of \$15,545.16. Through the Second Minor Amendment on April 5, 2023, the budget was reduced by \$12,800.00. The City expended \$2,745.16 in PY 2022-23. The total expenditure for the past three years was \$68,715.91.

Summary of COVID-19 Activities CDBG-CV

Attachment #3 shows a detailed outline of the CDBG-CV CAPER, which is summarized in Table 4 on the next page.

Table 4: CDBG-CV Program Expenditure Summary*				
	2020-21	2021-22	2022-23	Total
Economic Development (82.05 FTE jobs)	\$260,000.00	\$ 0.00	\$ 0.00	\$ 260,000.00
Public Services (169 clients served)	366,459.96	176,144.13	247,800.00	790,404.09
Administration	34,779.86	31,190.89	2,745.16	68,715.91
Total	\$661,239.82	\$207,335.02	\$250,545.16	\$1,119,120.00

* Note: Actual numbers in CAPER may vary due to rounding.

All CDBG-CV funds were spent by June 2023. The COVID-19 activities from 2020 to 2023 are reported in PY 2022-23 CAPER.

Community Outreach

Pursuant to the City's Citizen Participation Plan (Resolution No. 2020-013), a copy of the Draft PY 2022-23 CAPER report was posted on the Community Development Department's webpage for 30 days to allow for public review and comment. A physical copy was also made available at City Hall. Further, a prominent display advertisement was placed in the Thousand Oaks Acorn, as well as a legal notice in the Ventura County Star. Paper copies of the report were also made available upon request. All public comments received will be included in the final report, which will be submitted to HUD before September 27, 2023.

An electronic copy of the CAPER is provided under a separate cover for review by the City Council, and a copy is posted on the City's website at:

<http://www.toaks.org/departments/community-development/planning/phd>

COUNCIL GOAL COMPLIANCE:

Meets the following City Council goals:

A. Create a more equitable, accessible, safe, welcoming, and inclusive government and community regardless of race, color, ethnicity, religion, sex, physical or mental ability, sexual orientation, gender identity and expression, age, language, education, and/or socio-economic status.

C. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California's most desirable places to live, work, visit, recreate, and raise a family.

H. Participate in public-private and multi-jurisdictional opportunities to ensure residents have access to high levels of parks, recreation, education and leisure programs and services.

PREPARED BY: Lynn Oshita, Community Development Analyst

Attachments:

- Attachment #1 – CDBG Grants to Thousand Oaks (2013 – 2023)
- Attachment #2 – CDBG CAPER Summary Program Expenditures
- Attachment #3 – CDBG-CV CAPER Summary Program Expenditures

Documents Provided Electronically Under Separate Cover:

- #1 – Draft PY 2022-23 CAPER

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