



# Human Relations Commission

## Agenda Report

**For Agenda of:** 11/6/2024  
**Item Number:** 4a

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**SUBJECT:** CONSIDERATION OF THE 2025-26 COMMUNITY DEVELOPMENT  
BLOCK GRANT FUNDING RECOMMENDATIONS

### RECOMMENDATION

Review funding recommendations for the 2025-26 Community Development Block Grant Program and provide a recommendation to City Council for final approval.

### BACKGROUND

The total estimated City's allocation for the Community Development Block Grant program 2025-2026 Action Plan Year is \$495,178.

Of this allocation, 20% of the funds are reserved for administrative costs, that is further distributed by 65% to the County of San Luis Obispo, with the remaining 35% reserved for the City. Therefore, the City is eligible to receive \$34,662 for the Administration of the program. In this funding year, consistent with prior years, the City intends to allocate \$6,673 towards administering this program cycle and \$26,694 towards Capacity Building allowing for further implementation of the Housing Element.

Additionally, of the total estimated allocation, 15% of the funds are reserved for public services for a total of \$74,277 available for public service applications. This leaves the remaining 65% to be reserved for public facilities or housing projects for a total of \$321,866.

The City of San Luis Obispo received a total of seven applications for the 2025-26 Community Development Block Grant (CDBG) program, requesting a total of \$508,800. A total of \$153,567 was requested for the public services category, and \$321,866 was requested for the public facilities/housing projects category.

## FUNDING PRIORITIES

On October 4, 2023, the City Council endorsed the Human Relations Commission's recommended funding priorities for the 2024-25 CDBG funding year. These ranked priorities established by the HRC and City Council are recommended to be used for the 2025-26 CDBG funding year. These ranked priorities are:

1. Provide emergency and transitional shelter, homelessness prevention and services.
2. Develop and enhance affordable housing for low- and very low-income persons.
3. Enhance economic development (to include seismic retrofit, economic stability, low- and moderate-income jobs).
4. Promote accessibility and/or removal of architectural barriers for the disable and elderly.

## APPLICATIONS RECEIVED FOR CDBG FUNDING

The above priorities are used as the basis for developing funding recommendations of the 2025-2026 CDBG applications. Staff recommends funding five of the seven applications we received, as shown in Attachment A. All projects and programs that are recommended to receive funding are further described below. A copy of each 2025-26 CDBG application is also provided in Attachment B.

1. **Community Action Partnership of San Luis Obispo (CAPSLO) – Prado Homeless Services Center:** CAPSLO has requested \$85,000 in CDBG funds to increase the capacity, range, and efficiency of services offered by staff at the 40 Prado Homeless Services Center. The City is recommending a partial funding award for this application of \$64,357.
2. **5Cities Homeless Coalition – Homeless Prevention – Countywide Services:** 5Cities has requested \$9,920 in CDBG funds to continue operating its Homeless Prevention program that provides financial and case management services for families considered at-risk for homelessness. The City is recommending a full funding award for this application of \$9,920.
3. **San Luis Obispo Nonprofit (SLONP) Housing Corporation – Monterey Family Apartments:** SLONP Housing Corporation has requested \$321,866 in CDBG funds for the Monterey Family Apartments project, which is expected to serve low-income and below households. The City is recommending a funding award for this application of \$321,866 which is the maximum funding available for this application.
4. **City of San Luis Obispo – CDBG Administration and Capacity Building:** City Community Development staff are requesting \$26,694 for administrative costs of the CDBG program and \$6,673 towards further implementation of the Housing Element. The capacity building allocation can be used for affordable housing or low-income related City programs. Staff anticipates using a portion of this funding towards Program 1.7 from the 6<sup>th</sup> Cycle Housing Element which directly benefits homeless and low-income individuals by continuing to support local and regional solutions to homelessness by funding supportive programs,

services, and housing solutions. Staff will also continue to implement Program 8.11 from the Housing Element which requires the City's Housing Policies and Programs team to continue to provide resources that support local and regional solutions to meet the needs of the homeless.

## **ROLE OF THE HUMAN RELATIONS COMMISSION**

These recommendations are provided for the benefit of the public and members of the HRC. The HRC's role is to consider these recommendations and take a public testimony and either, (1) accept the allocations proposed if the HRC concurs, or (2) make changes so that the recommendation reflects the views of a majority of the Commission. The adopted priorities should guide the Commission throughout the discussion.

## **NEXT STEPS**

The HRC's recommended allocations will be forwarded to the County of San Luis Obispo for incorporation into the 2025-26 Draft Action Plan, and to the City Council for a final recommendation. The Action Plan will be considered for approval by the San Luis Obispo County Board of Supervisors in April of 2025.

## **ATTACHMENTS**

- A - 2025-26 CDBG Preliminary Funding Recommendations
- B - 2025-26 CDBG Applications