



Council Agenda Correspondence

DATE: February 18, 2025
TO: Mayor and Council
FROM: Timmi Tway, Community Development Director
VIA: Whitney McDonald, City Manager
SUBJECT: ITEM 6F - APPROVAL OF THE 2025-26 COMMUNITY DEVELOPMENT BLOCK GRANT RECOMMENDATIONS

Staff received the following questions regarding 2025-26 Community Development Block Grant (CDBG) Recommendations. The questions are below with staff's response shown in *italics*:

1) Why was the CAPSLO minor home repair program denied? Is it essentially funded by the DOE Green Buildings prize amount of \$125,000 referred to in item 7A?

The Community Development Block Grant (CDBG) funding recommendations provided by staff and approved by the HRC were in line with the ranked priorities established by Council as follows:

- 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.*

As such, the allocation of funding to support the 40 Prado Homeless Services Center (HSC) and 5Cities Homeless Coalition's (5CHC) rapid rehousing/homelessness prevention were recommended over CAPSLO's Minor Home Repair and PSHH Supportive Housing Services in alignment with the established priorities.

CAPSLO's Minor Home Repair program, which is administered county-wide, has a diverse funding stream, including CDBG funding allocations from other cities in the County and the County itself, the Area Agency on Aging, LIHEAP, and others. The Minor Home Repair Program assists seniors countywide for items including smoke and CO detectors, and minor plumbing, carpentry, etc.

to increase accessibility. The DOE Green Buildings Up program, referenced in item 7A, is a separate program and specific to electrifying space heating and water heating in up to ten additional mobile homes in the City. This DOE program would not necessarily overlap with the programming that is provided by CAPSLO's Minor Home Repair program, because the DOE program is more focused on electrifying systems, not necessarily assisting with repairs and maintenance.

The 40 Prado HSC and 5CHC's homeless prevention programs are more limited in the available funding sources, particularly federally-assisted programs. CAPSLO's application for CDBG funding for 40 Prado HSC identified that CAPSLO still struggles with sustaining the growing operations of the Prado HSC, and depends on federal, state, and local government funding for operational expenses. 5CHC identified a similarly limited funding stream in their application.

2) Can you please provide more context or examples of what the capacity building allocation will potentially be used for? See excerpt below.

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 6th 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.

The City's capacity building allocation will be used to support staff time in furthering implementation of the City's Housing Element programs, particularly those programs that support the City's continued participation in regional solutions to address homelessness. This includes staff time meeting on projects such as the Welcome Home Village and Calle Joaquin Homekey, implementation of the Rotating Overnight Safe Parking Program, and continued collaboration with regional and local stakeholders to identify project sites and funding opportunities for homeless-serving housing developments.