



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Jason Simpson, City Manager

Date: January 9, 2024

Subject: Authorization to Apply for Additional Unclaimed Funds Under the Community Development Block Grant (CDBG) Set Aside Funds for Project Homekey Projects

Recommendation

Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING AN AMENDMENT TO THE STANDARD AGREEMENT ISSUED UNDER THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM CORONAVIRUS RESPONSE (CDBG-CV).

Background

Addressing one of California's most urgent and substantial challenges, the City of Lake Elsinore has actively tackled homelessness through a proactive strategy. The establishment of the City's Homeless Task Force in 2017 marked the initiation of efforts to house our most vulnerable residents and explore practical approaches to reduce the homeless population, with the ultimate goal of achieving functional zero for chronic homelessness.

In 2017, the City of Lake Elsinore partnered with the Social Work Action Group (SWAG) for street outreach, housing, and case management services.

In June 2020, the City Council voted to purchase the property at 215 W. Graham Ave. for \$2,250,000 for Crisis Stabilization Housing to continue our proactive approach. The property, now known as The Anchor, was purchased and renovated using a \$3.1 million Project Homekey grant awarded from the State of California in September 2020. The facility officially opened on December 30, 2020. Today, the City and SWAG can house up to 20 homeless individuals at any given time for up to 90 days.

On December 2, 2020, the City of Lake Elsinore was awarded \$256,680 from the Homeless Housing Assistance and Prevention Program (HHAP) by the County of Riverside Continuum of Care for operating subsidy funding from July 1, 2022, through December 31, 2024.

CDBG Unclaimed Funds

Most recently, on October 28, 2021, the City of Lake Elsinore was awarded \$700,000 from the California Department of Housing and Community Development under the Community Development Block Grant – Coronavirus Response. Using these grant funds, the City of Lake Elsinore started rehabilitating the Anchor, the City's homeless Crisis Stabilization Center. Repairs at Anchor have constituted improvements to the units' kitchens, bathrooms, electrical, facility laundry rooms, flooring, and air conditioning to ensure proper maintenance is done to the building for long-term sustainability.

Discussion

On November 15, 2023, the California Department of Housing and Community Development announced the availability of additional Community Development Block Grant – Coronavirus Response funding (CDBG-CV). This funding has been made available to previous CDBG-CV grantees who have existing construction projects that have experienced unanticipated cost increases. Grantees with qualifying CDBG-CV construction projects may request an additional 25 percent of their original application. As a previous applicant and awardee of CDBG-CV, the City is eligible to apply for up to \$175,000.

While the City has completed significant infrastructure, interior, and exterior improvements to The Anchor as part of the previous CDBG-CV funding, replacing the sewer system is needed to ensure long-term sustainability and maintenance.

City staff recommends the adoption of the proposed resolution, approving staff to proceed with an application for \$175,000. With this approval, staff will apply by January 15, 2024. If awarded, funds will be allocated in 2024, and staff will begin to complete the proposed improvements immediately.

Fiscal Impact

There is no fiscal impact on the 2023-2024 General Fund. Projects are paid through the State Home Key Grant Funding reimbursement process.

Attachments

Attachment 1- Resolution

Attachment 2- CDBG-CV Allocation of Remaining Funding Memo