



City of Gilroy Housing Division



Memorandum

Date: February 16, 2022

To: Housing and Neighborhood Revitalization Committee (HNRC)

From: Sandra Nava, Housing & Community Development Technician II

Subject: FY 2022-2023 and FY 2023-2024 Community Development Block Grant (CDBG) and Housing Trust Fund (HTF) Grant Applicant Presentations and Proposal Rating, Ranking, and Funding Recommendation Process

BACKGROUND

Members will be asked to disclose if they have a real or apparent conflict of interest that precludes them from participating in the grant proposal evaluation process. Staff will provide a brief description of the grant proposal presentation process.

Thirteen competitive and two internal City of Gilroy, non-competitive, proposals were received by the January 31, 2022 deadline. The committee is tasked with reviewing the competitive proposals. Bay Area Community Health (BACH) accidentally submitted its eligible proposal on the FY 2021-2022 form, which was for a 1-year funding cycle; the agency was given the opportunity to transfer the information submitted to the FY 2022-2023 and FY 2023-2024 form, without adding any additional information. As a result, the HNRC should only consider the proposed "Community Outreach and Navigation: PrEP" project for the first year of the funding cycle, FY 2022-2023.

Nonprofit agencies who submitted eligible proposals for FY 2022-2023 and FY 2023-2024 Community Development Block Grant (CDBG) and local Housing Trust Fund (HTF) grants will provide a 2-minute summary of the proposal for which they seek funding, followed by up to 8 minutes for questions, after each presentation. After tonight's meeting, eligible HNRC members will evaluate eligible proposals from home in the following manner:

First, members will score each proposal based on the attached evaluation criteria, "Exhibit A", using the grant proposal rating worksheet provided. Email this worksheet to staff by February 25th.

Next, wait to complete the funding recommendation worksheet until March 1st, the date staff will receive direction on the availability of the Housing Trust Fund. From the highest ranked proposal to the lowest, members will list grant allocation recommendations, and specify the funding type code on the funding recommendation worksheet. Email this worksheet to staff by end of day March 2nd.

After receiving the HNRC's grant funding allocation recommendations, staff will create a Council grant allocation recommendation summary that will be presented to the HNRC for consideration, at the March 9, 2022 meeting. Due to this being a 2-year funding cycle, the grant allocations ultimately approved by the City Council in May will be for FY 2022-2023, with the same amount awarded for FY 2023-2024, based on satisfactory progress in the first fiscal year and funding availability.

The City expects to receive approximately the same CDBG grant award in FY 2022-2023 that it received in FY 2021-2022. If we estimate a grant award of \$470,000 and an annual set-aside for internal city programs, the following is the breakdown:

\$470,000 CDBG FY 2022-2023 grant award from HUD

-\$ 94,000 is allocated to program administration (capped by HUD at 20% of the grant)

-\$ 70,500 is allocated to public services, capped by HUD at 15% of the grant. The Recreation Department's request is \$38,452 for the Gilroy Youth Center, leaving approximately \$32,000 available for distribution.

\$305,500 the remaining balance can be distributed to non-public service programs, such as the repair and accessibility modification program and to eligible public works projects. The Public Works Department's request for the Annual Sidewalk/Curb Ramp Project is \$386,000.

As you consider the CDBG amounts available for distribution, \$32,000 for public services and \$305,500 for non-public services, make note that you are not tasked with reviewing or making funding recommendations for the internal City of Gilroy programs.

The City's local Housing Trust Fund (HTF) has provided up to \$168,000 in grant funding each fiscal year for housing or homeless related public services. On February 28th the City Council will be reviewing the HTF and providing direction on the future use of these funds. There is the potential for a reduction or elimination of this funding source for public services, which if realized, may happen in the upcoming funding cycle, or a later cycle. On March 1st the outcome of the City Council's decision will be shared with the HNRC members.

ANALYSIS

N/A

NEXT STEPS

Staff will be available for questions.