

# 5055246000—Neighborhood Preservation

## Human Services

Zayante (Zoey) P. Merrill, *Interim Community Development Director*

General Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
<b>Expenditures</b>					
Salaries & Benefits	\$690,473	\$854,926	\$964,067	\$964,067	\$109,141
Services & Supplies	66,785	148,450	167,450	167,450	19,000
Centrally-Budgeted Expenses	17,264	14,812	40,088	40,088	25,276
Other Charges & Uses	7,223,482	7,443,405	16,391,562	16,391,562	8,948,157
Fixed Assets	187,534	773,000	748,000	748,000	(25,000)
<b>Total Expenditures</b>	<b>\$8,185,538</b>	<b>\$9,234,593</b>	<b>\$18,311,167</b>	<b>\$18,311,167</b>	<b>\$9,076,574</b>
Expenditure Reimbursements	(646,512)	(665,000)	(665,000)	(665,000)	0
<b>Total Appropriations</b>	<b>\$7,539,026</b>	<b>\$8,569,593</b>	<b>\$17,646,167</b>	<b>\$17,646,167</b>	<b>\$9,076,574</b>
<b>Earned Revenues By Source</b>					
Aid From Other Governments	\$9,090,542	\$8,569,593	\$17,646,167	\$17,646,167	\$9,076,574
<b>Total Revenues</b>	<b>\$9,090,542</b>	<b>\$8,569,593</b>	<b>\$17,646,167</b>	<b>\$17,646,167</b>	<b>\$9,076,574</b>
<b>Net County Cost</b>	<b>(\$1,551,516)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Allocated Positions	7.0	7.0	7.0	7.0	0.0

## Purpose

The Neighborhood Preservation Division of the Community Development Department administers, plans, coordinates, and implements the County's grant-funded housing and community development programs. Federal funding for these programs come from the Federal Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG), the Emergency Solutions Grant (ESG), HOME Investment Partnerships (HOME) programs, Shelter Plus Care (SPC), and Supportive Housing Program (SHP) for the unincorporated County and five participating cities (Escalon, Lathrop, Manteca, Ripon, and Tracy). State funding programs administered by the California State Department of Housing and Community Development include the State ESG, California Emergency Solutions and Housing (CESH), and the Homeless Emergency Aid Program (HEAP).

## Major Budget Changes

### Salaries & Employee Benefits

- \$109,141 Salary and benefits adjustments.

### Services & Supplies

- \$20,000 Increase in consultant costs for the CDBG Consolidated Plan update.

### Centrally-Budgeted Expenses

- \$26,746 Cost Allocation Plan adjustment.

### Other Charges

- \$7,148,364 Program costs for new State HEAP.
- \$1,014,961 Program costs for new CESH Project.
- \$713,998 New public improvement projects.
- \$595,900 Re-budget HUD projects.
- (\$400,000) Decrease in CDBG Rehabilitation Loan Program projects.
- (\$53,171) Decrease in re-budgeted Federal Grant projects.
- (\$42,899) Decrease in State ESG projects.

# 5055246000—Neighborhood Preservation

## Human Services

---

### Revenues

- \$7,148,364 Funding for new State HEAP.
- \$1,014,961 Funding for new CESH project.
- \$985,144 Re-budget HUD revenue and Victory Gardens project.
- (\$71,895) Decrease in State and Federal ESG funding.

### Fixed Assets/Capital Improvements

- \$433,000 Re-budget of Public Works South Stockton Sidewalks project.
- \$300,000 East Stockton Storm Drainage Improvements.
- \$15,000 Facility project development.

### Program Discussion

The 2019-2020 recommended Neighborhood Preservation budget totals \$18,311,167, which is an increase of \$9,076,574 from the 2018-2019 adjusted budget. This is primarily due to the new State CESH and HEAP programs and re-budgeting of projects not completed in 2018-2019.

In 2019-2020, the County's five-year Consolidated Plan will be updated. The Plan prioritizes the County's use of HUD funding for the CDBG, HOME, and ESG programs for the primary benefit of persons meeting extremely-low, very-low, and low-income criteria.

### Community Development Block Grant

The Entitlement Urban County (EUC) is comprised of the County and all cities, except Lodi and Stockton. The EUC will receive an estimated \$2.6 million in CDBG funding in 2019-2020. The unincorporated County's share of the funding is \$1,413,584. In addition, \$542,500 is re-budgeted revenue for projects not yet completed and revolving program income re-budgeted to fund qualifying projects. The County uses CDBG funds for infrastructure, public facilities, public services, recreation projects, and affordable housing.

### HOME Investment Partnerships

In 2019-2020, the EUC will receive approximately \$1,109,301 in HOME funds. The unincorporated County's share of the 2019-2020 funding is \$756,363, which includes funding for a nonprofit housing developer to rehabilitate homes for low-income families, with the remainder designated to the five participating cities. In addition,

\$233,605 is re-budgeted revenue for projects not yet completed. The County's funds will be utilized for down payment assistance for first-time homebuyers, Countywide rehabilitation of single-family housing, and overall program administration.

### Homeless Programs

#### Emergency Solutions Grant

In 2019-2020, \$222,298 in Federal ESG funding will continue to provide funding to support the operational costs of 10 homeless services and shelter providers in the County. In addition, \$48,960 is re-budgeted revenue for projects not yet completed. The homeless services and shelter providers with their estimated disbursements (excluding \$16,672 for administration) are:

- Central Valley Low-Income Housing Corporation (\$72,248)
- Gospel Center Rescue Mission (\$14,200)
- Haven of Peace (\$11,949)
- HOPE Ministries (\$8,000)
- Lodi House (\$8,029)
- McHenry House Tracy Family Shelter (\$8,000)
- Salvation Army, Lodi Corps (\$5,600)
- Stockton Shelter for the Homeless (\$31,000)
- St. Mary's Dining Room (\$29,800)
- Women's Center Youth and Family Services (\$16,800)

Neighborhood Preservation acts as the Administrative Entity for the following programs and is tasked with financial oversight and ensuring that projects are timely and in compliance with all regulations and agreements:

#### Continuum of Care

The Continuum of Care (CoC) has set a goal to end homelessness by providing funding for the efforts of nonprofit service providers and local governments to quickly re-house homeless individuals and families, and promote access to programs to maximize self-sufficiency among people experiencing homelessness. Neighborhood Preservation collaborates with the CoC Board and the County's Program Administrator for Homeless Initiatives on programs that benefit the homeless.

The County received renewed funding commitments for all expiring CoC housing programs, totaling \$5.3 million, which includes re-budgeted revenue for projects not yet completed, to continue providing housing and supportive services to

# 5055246000—Neighborhood Preservation

## Human Services

homeless individuals and families. The CoC nonprofit agencies are:

- Central Valley Low-Income Housing Corporation
- Lutheran Social Services

Applications for programs will be submitted in 2019-2020 to maximize the availability of supportive services and housing to transitioning homeless individuals and their families.

### Homeless Emergency Aid Program (HEAP)

In 2019, the State of California awarded the County a grant for \$7,148,364. Program funds must be used on one-time uses that address homelessness, including, but not limited to homeless prevention, criminal justice diversion program for homeless individuals with mental health needs, homeless youth, and emergency aid.

### California Emergency Solutions and Housing Program (CESH)

In 2019, the State of California awarded the County a grant for \$1,014,961 to be used for rental assistance and housing relocation, affordable permanent housing for the homeless, emergency housing, and systems support for the Coordinated Entry or Homeless Management Information System.

### Capital Projects

These projects generally consist of public facility construction, enhancements for facilities located in low-income neighborhoods, or facilities to provide services to predominantly low-income persons.

- Facility Project Development (\$15,000) – Administration of CDBG-funded project development.
- East Stockton Storm Drainage Improvements (\$300,000) – To construct and/or repair storm drain infrastructure and to re-establish ditch lines to address localized flooding.
- South Stockton Sidewalks (\$433,000) – To construct curb, gutter, and sidewalk improvements in the South Stockton area.
- Gospel Center Rescue Mission (\$428,830) – To remodel and expand the existing kitchen and dining room.
- Stockton Shelter of the Homeless (\$75,000) – To provide maintenance and repairs to the family and single shelters.

Victory Gardens (\$475,000, plus another \$450,000 in program income, totaling \$925,000) – To develop a 49-unit affordable housing project for homeless veterans.

### Workload Data

	-----Actual-----			Est./Act. 2018-2019	Projected 2019-2020
	2015-2016	2016-2017	2017-2018		
<b>Program Expenditures</b>					
<i>CDBG Expense</i>	\$1,875,783	\$1,558,298	\$1,535,192	\$947,257	\$1,956,084
<i>Emergency Solutions Grant</i>	\$186,049	\$184,991	\$286,460	\$300,254	\$271,258
<i>HOME Expense</i>	\$6,229	\$496,958	\$845,995	\$859,496	\$989,968
<i>Neighborhood Stabilization Program</i>	\$0	\$0	\$303,509	\$515,007	\$0
<i>Shelter Plus Care</i>	\$2,198,296	\$2,137,370	\$2,474,387	\$2,437,017	\$2,874,679
<i>Supportive Housing</i>	\$2,271,553	\$1,912,121	\$2,740,992	\$2,384,374	\$2,412,140
<b>Administration</b>					
<i>Federal Environmental Reviews</i>	38	55	52	36	30
<i>Labor Standard Reviews</i>	3	16	11	5	10
<b>Housing Rehabilitation (Units)</b>					
<i>Homeless Prevention (Households)</i>	40	73	165	165	175
<i>Housing Rehabilitation (CDBG &amp; HOME)</i>	0	3	2	4	5
<i>First Time Homebuyers Assistance (CDBG &amp; HOME)</i>	10	19	21	10	10
<i>Tenant Based Assistance (SHP &amp; SPC)</i>	1,331	1,129	1,054	1,250	1,250