

**CITY OF SANTA MARIA
SPECIAL JOINT MEETING OF THE CITY COUNCIL/
BLOCK GRANTS ADVISORY COMMITTEE
DOROTHEA NELSON ROOM**

OCTOBER 12, 2011

PLEDGE OF ALLEGIANCE TO THE FLAG.

Mayor Lavagnino led the Pledge of Allegiance to the Flag.

CALL TO ORDER:

Mayor Lavagnino called the Special Meeting of the City Council and Block Grants Advisory Committee to order at 5:30 p.m.

ROLL CALL:

CITY COUNCIL

MEMBERS PRESENT:

Councilmembers Boysen, Cordero, Orach, and Mayor Lavagnino.

Councilmember Patino arrived at 5:35 p.m.

BLOCK GRANTS ADVISORY COMMITTEE

MEMBERS PRESENT:

Committee Members Bierdzinski, Burke, Cordary, Dickerson, Hall, Litzinger, Marquez, Seifert, Wolcott, Yglesias and Chairperson Cudd.

MEMBERS ABSENT:

Committee Members Doyle, Ferguson, and Nielsen.

STAFF MEMBERS PRESENT:

City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Director of Recreation and Parks Posada, Director of Administrative Services Visé, Director of Public Works/City Engineer Whitehead, Community Programs Manager Coelho-Hudson, Office Assistant Vela, and Deputy City Clerk Garietz.

PUBLIC COMMENT:

There were none at this time.

JOINT STUDY SESSION REGARDING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING PRIORITIES.

Community Programs Manager Coelho-Hudson gave the staff report. The City of Santa Maria has been receiving monies under both Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs for many years. While local discretion is allowed as to how the funds may be used, there are specific and somewhat complicated federal regulations that must be followed in administering these programs. A Consolidated Plan must be developed and submitted every five years and an Action Plan on an annual basis. The Council-approved Block Grants Advisory Committee (BGAC) is responsible for overseeing the annual process and making recommendations

for allocations to the City Council. The City Council and BGAC last held a joint meeting on January 10, 2008. In 2010, a comprehensive needs assessment was conducted by the Committee. The input collected indicated that the main issues causing impacts to the community were: 1) financial hardship; 2) the need for basic human necessities, especially food and shelter; and 3) the need for permanent affordable housing. As a result, the BGAC adopted four priorities which were approved by the Council. Those weighted priorities were: 1) prevent homelessness and address critical emergency needs and persons with special needs; 2) provide affordable housing; 3) expand educational opportunities and youth development opportunities; and 4) expand economic development. Additional criteria for public service funding that was adopted by the City Council a number of years ago was used as a guideline in evaluating and allocating CDBG and HOME funds.

In order to establish direction for the BGAC and clarify funding priorities for the CDBG and HOME programs for Fiscal Year 2012-13, a list of discussion points was compiled. Those items were: 1) priority in allocating funding to City-owned capital projects as opposed to private facilities owned by non-profit agencies; 2) more funding for youth services that may involve revisiting the ranking of the current priorities; 3) the effectiveness of allocating smaller grants to more agencies or larger grants to fewer agencies; and 4) continuation of allocating the maximum allowed under HUD regulations of 15 percent in CDBG funding to public services.

Al Rodriguez from Fighting Back Santa Maria Valley spoke about information provided by the State Healthy Kids Survey, specifically about youth substance abuse, youth safety and emotional health. There was a lack of continuity in violence prevention activities for young people, as well as a lack of therapeutic and treatment resources for them. He requested the Council include counseling services for high risk youth.

Christie Alarcon from Good Samaritan Shelter spoke about families in the shelter and the transitional center. They were concerned about the winter months and the increased numbers of homeless individuals and families in the overflow shelter which was currently at capacity. The shelter was doing the best it could with the resources it had, but things would get more difficult as the numbers increase during the winter months.

Sylvia Barnard from Good Samaritan Shelter spoke about the homeless count completed at the end of February 2011. The number of homeless children in our community was staggering. The report indicated that 76 percent of the homeless children in Santa Barbara County were in Santa Maria as identified by the local school districts. The impact showed in their shelters; 50 percent of the people served were homeless families. The community could be proud that it has invested in sober-based, recovery-based shelter systems, but help was still needed to continue serving these families.

Erica Reyes from Santa Barbara Education Office on behalf of Transitional Youth Services spoke about the direct services they provided to homeless students and children in foster care homes in Santa Maria, such as clothing, bus passes to get students to school, tutoring and education catch-up assistance for children who had fallen behind due to their family's life circumstances. She indicated that Transitional Youth Services had never been

represented before the Committee before now, and wanted to inform them and the community of the services they provided. She requested support for their programs indicating they were in need of supplies, and relied heavily on donations.

Lt. Mathew Jennings from The Salvation Army commented that Santa Maria's population had increased by 29 percent over the past 10 years. They had received four times as many requests for social service assistance over the past six months, and a 17 percent increase in requests for food from their weekday hot lunch program. CDBG funds helped meet those needs head on and adapt to the strain of a growing city in positive ways. He thanked the Council and Committee for their support.

Teresa Bruce from Care Net Pregnancy and Resource Center spoke about the need to stabilize the family unit and prevent child abuse with early intervention for at-risk families. Affordable parenting classes were needed to strengthen high risk families. There were parenting class options available, but were not affordable, were offered online, or in a class environment rather than one-on-one, and beyond the financial reach of low income parents. It was essential that affordable parenting classes be provided to enhance existing prevention and early intervention strategies and wrap-around services.

Jill Tucker from the Santa Maria Valley Humane Society requested support to complete construction on the new Registered Veterinary Technician (RVT) training site and low-cost spay/neuter clinic building. She mentioned that there were no other RVT training locations between San Francisco and Los Angeles. The local veterinarians that had been surveyed responded favorably to having a program like this.

Councilmember Boysen asked where the Humane Society would fit into the CDBG program.

Community Programs Manager Coelho-Hudson responded that it would fit in the educational opportunities, as well as expanding economic opportunities. Some of the students would also qualify under the low-moderate income criteria.

Judith Monte from the Food Bank spoke about delivering bags of food to the seniors in Santa Maria. She commented that because of the alliances the Food Bank had nationally, statewide and with the local growers, they were able to leverage every dollar and provide assistance to 45 other non-profit agencies. She thanked the Committee for their support.

David Coelho from Catholic Charities thanked the Council and Committee for their support and spoke about their goal to keep individuals from becoming homeless. He stated that it took five times as much money to return a family from a homeless situation, than to assist them before they became homeless. Catholic Charities provided rental assistance and assistance to pay water bills to prevent them from being shut off. He requested the Committee's continued support.

Etta Waterfield from Senator Blakeslee's office spoke about the anticipated revenue shortfall the State would be experiencing. She indicated that there would be a lot more cuts coming from the State that would trickle down to the local level. It would affect

education, senior citizens and the disabled. She asked that when the CDBG funding was divided, the Council and Committee considered that the recipients would also see additional cuts if they were expecting funding from the State.

Committee Member Dickerson commented that he had read information indicating that CDBG funding would potentially be cut. With non-profits potentially losing funding at the State level, communities at-large would see substantive cuts as well.

Robert Gentry commented that he was a client of Good Samaritan. He came to the program from the emergency shelter and was now in the transitional shelter. Next month, he and his family would be moving into the new Rancho Hermosa housing development. Good Samaritan had helped with clothing, an afterschool program for his children that provided tutoring, and school supplies.

Emily Nogues commented that she was a client of Good Samaritan. When she became pregnant and lost her apartment, she moved into the emergency shelter. Good Samaritan had been wonderful to her. Her family moved into the transitional shelter and had received assistance with food and diapers. She asked the Council to continue supporting Good Samaritan because they provided an important service and she did not know where they would be without their assistance.

Michelle Mason from Life Steps Foundation spoke about services for senior citizens. They provided homemaker services and had respite programs for caregivers which were available 48-hours per year. The services were provided to seniors who made too much money to qualify for Medi-Cal, but not enough to pay for private care. Respite services were provided to approximately 70 people, and the homemaker program serviced approximately 100 seniors.

Patricia Solorio from Future Leaders of America spoke about the need to help root causes, instead of putting out fires by only addressing symptoms. She understood that immediate needs were important, but it should be tackled from both ends. She encouraged the Council and Committee to support Future Leaders of America which provided leadership, educational, and personal opportunities for young people and their families.

Betsy Whitaker from Santa Maria Wisdom Center spoke about the adult day and healthcare center which provided services to the disabled and the frail elderly. The State was cutting funding to the Center and they were now struggling to try to find a way to stay open and continue providing services to the community. She asked for support from the City.

Mayor Lavagnino stated that some cities do not disburse their CDBG funds to non-profit agencies, and kept the funding for City-owned capital projects. The City's infrastructure was starting to show signs of wear and tear. He was cognizant that the Committee had tough decisions to make, but asked them to consider funding City-owned capital projects. He asked that more resources also be expended on youth services. Over the years, the City had provided a tremendous amount of resources to the homeless problem. He asked City Manager Ness how much of the CDBG funding had been spent on the homeless.

City Manager Ness indicated that between 1983-2011, \$12 million had been allocated to non-profit agencies. He was not able to determine how much of the funding went specifically to the homeless; but for facilities only, at least \$4 million had been set aside for homelessness-related programs.

Mayor Lavagnino commented that he wanted people to know how much of a commitment the City had made in the past, and that it would not be backing away from that commitment. However, the City had other priorities it needed to look at as well.

Councilmember Orach asked what the program funds' percentage amount would be.

Community Programs Manager Coelho-Hudson responded that the City could spend up to 15 percent of the entitlement grant and 15 percent of the program income from the previous year, which was what the City had been allocating over the past several years. The problem was that the City never knew how much program income it would receive. She indicated that her best estimate was \$200,000, but there had been no indication by HUD as to what cuts would be made to CDBG or HOME funds. The Emergency Solutions program was a new program that was a hybrid of the HPRP and the Emergency Shelter grant program. If the City was able to access some of those funds, it would help the homeless providers. Staff was waiting for the State to issue the notice of funding availability (NOFA).

Councilmember Orach asked how many agencies submitted applications last year.

Community Programs Manager Coelho-Hudson responded that under public services, 36 agencies submitted applications, which was more than the prior year, and 15 applications were received for capital projects and HOME funds. The City had typically funded 20 to 25 agencies with public service funds each year.

Mayor Lavagnino asked the Committee to consider and comment on whether the City should give smaller grants to more agencies, instead of larger grants to fewer agencies as it had done in the past.

Councilmember Patino asked how was the City able to check that the public services were being targeted and received by Santa Maria residents. When the Food Bank, Catholic Charities, or Salvation Army provided food to people, were they checked to see if they were Santa Maria residents?

Mr. Coelho spoke and confirmed that they did check to the best of their ability.

Councilmember Patino commented on the Santa Barbara County 10-year Plan to End Homelessness. It has been six years since the plan was implemented and there were more homeless now than before. It was not getting better, but worse. She commented that she would like to see the educational opportunities and youth development opportunities expanded. There was only so much money to go around and it was time that some of the priorities changed. She commented that she thought smaller grants to

more agencies would be best. She stated that the youth should be at the top of the City's priority list. She asked for the definition of "homeless."

Community Programs Manager Coelho-Hudson commented that the City was able to check that public services were being targeted and received by Santa Maria residents through the application process and Committee site visits. When an agency requested reimbursement for direct services, they were required to submit documentation. The definition of homeless for HUD was a chronic situation, and far different from the broader definition that had people living in motels, a shelter, sleeping in a car or on the couch of a friend. The 10-year plan addressed the chronically homeless who had been on the street for at least one year. They represented about 10 percent of the homeless population in the County.

Councilmember Boysen commented that the broader definition of homelessness was what the school district used, where the Good Samaritan shelter used the chronically homeless definition.

City Manager Ness reminded the Council that from an administrative point of view the same amount of time and work goes into reviewing, administering, and processing each sub-recipient grant. So, providing smaller grants to more agencies would impact staff's workload. The department was currently being supported by one staff person.

Mayor Lavagnino stated that a \$5,000 grant didn't go very far. If the grant funds were spread too thin, nothing would really get done.

Councilmember Boysen addressed the priorities and indicated that he thought some funding should be provided to the youth, but basic human necessities had to be addressed first. He stated that the City has done a great job of providing services for the homeless. People had a right to have a roof over their head and food to eat. He encouraged the Council and Committee to maintain the current priorities as they were and to provide for the neediest of the needy in the City.

Committee Member Cordary commented that the Committee had evolved and changed over the 15 years she had been on the Committee. The Committee decided to give more money to fewer agencies because making a \$1,000 grant really did not help. So much had been done for the homeless, but others were being left out such as the seniors and the youth.

Committee Member Yglesias commented that the Committee discussed youth, homelessness, and food. It came down to which was more important 1) to give a program to the youth, or 2) to make sure the youth were fed and had a bed to sleep in at night. It was very difficult to consider cuts to one group and help the youth when they were hungry or did not have a place to sleep. The Committee had spent a lot of time trying to decide the best action. It was heartbreaking to have to cut programs they had always funded because the money was not available.

Councilmember Boysen commented that significant infrastructure was being built for affordable housing from capital funding through HOME and CDBG funds. Looking at the priorities, consideration could be made to provide smaller capital funds to existing non-profits for infrastructures that needed to be rebuilt. Non-profits barely had enough to support their operating costs. This could be an area where smaller \$40,000 to \$50,000 capital funding grants could be utilized.

Mayor Lavagnino commented that the City had provided funding to the non-profits for years, but consideration had to be given to the capital projects within the City limits. \$500,000 a year for four years was used from CDBG to fund the construction of the new library, and funds were also made available to help pay for the Maldonado Center.

Mr. Coelho commented that the City's youth summer program had helped a lot of kids. He recommended that continued resources be directed to the program.

Committee Member Dickerson commented that the Committee had the toughest time with the Public Services funding. He did not think the Committee had an issue with using the capital funding to help the community as a whole with infrastructure. The issues the Committee had were dividing up the services side of the funding allocations. The reality was that the needs were rising and the funding was decreasing. The desire to shift the funding at this crucial period to a different segment of the population was a tough call.

Mayor Lavagnino received a consensus from the Committee that it would take a closer look at City-owned capital projects. Setting priorities for services was the issue for the Committee.

Committee Member Litzinger commented that he would like to see the Committee give larger sums of funding to fewer strategic organizations, and to keep the priorities as they were.

Mayor Lavagnino asked the Committee if there was a consensus of the Committee to keep the priorities as they were.

A unanimous consensus was given by the Committee to retain the existing priorities.

Councilmember Orach commented that larger agencies that had the capacity to parlay funding would have a bigger impact, than allocating \$500 here and there to smaller organizations. Smaller organizations did not have the staff to handle the administrative aspects to apply for and write grants. The State had cut funding, but the number of agencies applying for funding had increased.

Mayor Lavagnino commented that with the capital funds, priority should be given to City projects.

Committee Member Dickerson commented that the City puts forth projects in two categories as: 1) special projects and 2) never-ending infrastructure projects such as ADA retrofit of sidewalks. He asked if the Council wanted the Committee to give as much

weight to the never-ending infrastructure projects as would be given to the special projects.

Mayor Lavagnino commented that his concern was for the special projects, not projects that should have been handled by the City on an on-going basis.

Councilmember Orach commented that some ADA issues could turn into lawsuits when they were not taken care of.

Councilmember Boysen commented that he did not want to turn his back on the special project needs of the non-profit community. He wanted the Committee to know that they had priority within the Council's priorities as well.

Councilmember Cordero said that he would like it if a City capital project comes before the Committee that it would be given the same level of importance as other projects. He did not see much of an advantage in sustaining an organization that would only be operating for a couple of months. It would be healthier for the City to supply an amount of money that would allow individual organizations to make a meaningful difference in their areas of responsibility. He thanked the Committee for their hard work.

Community Programs Manager Coelho-Hudson commented that Staff and the Committee looked at those issues when reviewing the applications and during site visits. Once an agency was funded by CDBG they were heavily monitored through site visits and reporting.

Committee Member Seifert commented that the Committee had scheduled smaller allocations of money, but when the funding was cut by 16 percent for the current year, the Committee changed their direction back to priority number 1.

Community Programs Manager Coelho-Hudson asked if the Council wanted to give priority to City capital projects, she was not sure how it would fit under the existing priorities. She suggested adding a priority for capital projects such as neighborhood revitalization or for failing or deteriorated infrastructure.

Mayor Lavagnino said it did not necessarily have to be for failing or deteriorating infrastructure, but it could be for revitalization of a park, or for new capital projects like what was done with the Library or Transit Center.

Councilmember Orach commented that ADA projects were completed at the Mussell Center and City Hall, and similar projects could be considered for the same type of compliance projects.

Councilmember Boysen commented that blighted neighborhoods would be his priority when allocating funds for City projects.

City Manager Ness suggested not changing the priorities or criteria for this year, but that the City's failing infrastructure and capital projects should receive some priority by the

Committee. The issue of ADA projects tended to be never-ending. He suggested that a certain amount could be set aside each year to address those projects on an ongoing basis without allocating all of the funding to that area only.

Committee Member Marquez asked what was the amount set aside for Capital funds.

Community Programs Manager Coelho-Hudson stated that there was about \$800,000 set aside for capital projects. ADA projects would fall under priority number 1 because it was addressing the special needs population, disabled and elderly.

Committee Member Dickerson commented it would be easier for the Committee to address ADA projects if it understood that the Council's focus was on quality of life issues and overall infrastructure issues.

Councilmember Orach thanked the Committee for their hard work.

Mayor Lavagnino thanked the Committee for their hard work, and the public for their input.

There was no further discussion.

ADJOURNMENT:

Mayor Lavagnino adjourned the meeting at 7:20 p.m. to the Regular City Council Meeting on Tuesday, October 18, 2011, at 6:30 p.m. in the City Hall Council Chambers and to the Block Grants Advisory Committee Meeting on November 14, 2011, at 5:30 p.m. in the City Hall Conference Room.