



Meeting Date: May 16, 2023

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Tara Vargish, Director, Development Services
TJ Kucewesky, Assistant Director, Development Services

Title: Resolution Approving the Town of Castle Rock 2022 Community Development Block Grant Annual Action Plan as Amended and the Citizen Participation Plan as Amended

Executive Summary

On July 19, 2022, Town Council approved the Castle Rock 2022 Annual Action Plan (AAP) which identified Castle Rock's Community Development Block Grant (CDBG) distribution for program year 2022 as \$234,817. (Program year 2022 spans the timeframe of October 1, 2022 through September 30, 2023.)

On August 1, 2022, Town staff received notice from the US Department of Housing and Urban Development that HUD reallocated additional funds. This resulted in the Town of Castle Rock receiving an additional \$9,911, bringing the total allocation for Castle Rock to \$244,728. As a result of these additional monies, The Town was required to seek public input on the use of the additional funds and amend its 2022 AAP. Staff proposes allocating these new funds to the same categories at the same percentages as outlined in the 2022 AAP approved by Council on July 19, 2022.

Staff also recommends amending the Town's CDBG Citizen Participation Plan (CPP), initially approved by Council on July 20, 2021, to extend the public comment period from 15 days to 30 days. In addition, Staff recommends adding clarifying language to the CPP to define what constitutes a substantial amendment to the plan.

These two topics were shared at a public input meeting held in the Town Council Chambers on April 3, 2023. Public comment was accepted between April 4, 2023 and May 4, 2023.

Staff is seeking Town Council approval of a resolution (**Attachment A**) approving Castle Rock's 2022 CDBG AAP as amended and the CPP as amended.

The AAP provides information as to how the Town will utilize its 2022 CDBG funding, including ongoing support of senior programs, ADA improvements and administrative cost recovery as outlined in the 2021-2025 Consolidated Plan. The 2022 AAP as

amended is included in **Attachment B** for reference.

The CPP provides information as to how the Town will engage residents in use of CDBG funds. The CPP is included in **Attachment C** for reference.

Should Town Council approve this resolution, staff will submit the 2022 AAP as amended to HUD. The CPP does not require submission to HUD.

Discussion

The Town of Castle Rock accepted entitlement status into the CDBG program in September 2020. The Town's grant allocation for fiscal year 2022 was initially communicated as \$234,817. In a reallocation by HUD, Castle Rock's 2022 allocation increased to \$244,728. The majority of grant funds must be utilized to support defined national objectives while up to 20 percent of this funding can be used to support costs associated with administering the CDBG program.

Overview/Background

In general, CDBG funds must be used for activities that meet one of the following criteria:

- Benefit low and moderate-income persons
- Prevent or eliminate slums or blight
- Address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available

Examples of eligible activities that qualify for CDBG funding include:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures
- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes
- Public services, within certain limits
- Activities relating to energy conservation and renewable energy resources
- Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities

Castle Rock Strategic Priorities

CDBG funding priorities are determined through analysis of available data, input from the public and area stakeholders. Significant public outreach occurred during development of the 2021-2025 Consolidated Plan (ConPlan). Numerous needs were identified during this previous planning process including affordable housing, special needs services, public facility needs, mental health support, domestic violence resources and more. The Town's CDBG allocation, while not insignificant, is not sufficient to meet all of the needs outlined in the data gathering and public input process. In June 2021, Town Council approved strategic priorities centered on seniors

and ADA improvements for Castle Rock's CDBG funding. Additionally, Town Council supported utilizing CDBG funding, up to 20 percent, to support the costs associated with administering the CDBG program.

2022 Annual Action Plan as Amended and Citizen Participation Plan as Amended
Public Comment Period

The 2022 AAP as amended (**Attachment B**) and the CPP as amended (**Attachment C**) were made available at www.CRgov.com/cdbg, the Philip S. Miller Library and in the Town Hall lobby for inspection. Additionally, printed copies of these documents were available upon request. Public comment and input was taken from April 4, 2023 through May 4, 2023. Any comments received throughout the public comment period were incorporated into the respective documents.

In addition to the formal 30-day public comment period, staff held a CDBG Public Input Meeting on April 3, 2023. One engaged citizen attended the meeting and was complimentary of the Senior Hot Meal Delivery program funded through the CDBG.

Recommendation

Staff recommends continuing to utilize CDBG funding to support senior services, ADA improvements and to offset program administration costs as presented in the initial 2022 AAP. Public services and administration allocations are limited to 15 and 20 percent, respectively. Recommended funding allocations and additional allocations for the 2022 AAP, and 2022 AAP as amended, are shown below for reference.

Project Name and Proposed Activity	Initial Funding	Additional Allocation	Total
CDBG: Administration (20%) <ul style="list-style-type: none">Community Development Department Admin	\$46,963	\$1,983	\$48,946
CDBG: Public Services (15%) <ul style="list-style-type: none">Supportive services for LMI & special needs	\$35,223	\$1,486	\$36,709
CDBG: Public Facilities & Infrastructure (65%) <ul style="list-style-type: none">Public facilities, infrastructure	\$152,631	\$6,442	\$159,073
Total:	\$234,817	\$9,911	\$244,728

Staff also recommends the amendments that have been made to the Citizen Participation Plan which extends the public comment period from 15 days to 30 days and defines the terminology of substantial amendment.

Next Steps

Should Town Council approve this resolution, staff will submit the AAP as amended to HUD. Following HUD's acceptance of the amended plan, staff will proceed with selection of projects and implementation of the AAP. The CPP does not require submission to HUD.

Budget Impact

The Town's CDBG allocation for the 2022 program year is \$244,728. Approved grant expenditures are reimbursed through the CDBG program, so there is no net financial impact to the Town. Reimbursable costs include program administration and approved project expenses.

Recommendation

Staff recommends approval of Castle Rock's CDBG 2022 Annual Action Plan as amended and the Citizen Participation Plan as amended.

Proposed Motion

"I move to approve the resolution as introduced by title"

Attachments

Attachment A: Resolution

Attachment B: Castle Rock CDBG 2022 Annual Action Plan as amended

Attachment C: Castle Rock CDBG Citizen Participation Plan as amended