



Meeting Date: July 16, 2024

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's CDBG 2024 Annual Action Plan

Executive Summary

In September 2020, Town Council accepted entitlement status into the federal Community Development Block Grant (CDBG) program beginning in fiscal year 2021. On July 20, 2021, Town Council approved the Castle Rock 2021-2025 Consolidated Plan.

The Town's CDBG distribution for program year 2024 will be \$264,043 and will be available starting October 1, 2024. Staff is seeking Town Council approval of a resolution (**Attachment A**) approving Castle Rock's 2024 CDBG Annual Action Plan (AAP). The AAP provides information as to how the Town will utilize its 2024 CDBG funding, including ongoing support of senior programs, providing support services to low/moderate income special needs populations, ADA improvements and administrative cost recovery as outlined in the 2021-2025 Consolidated Plan. The 2024 AAP is included in **Attachment B** for reference.

Should Town Council approve this resolution, staff will submit the 2024 Annual Action Plan to HUD by the August 16, 2024 deadline and begin the 2024 program year implementation. The 2024 program year will begin on October 1 and projects will be determined after that time.

Discussion

The Town of Castle Rock accepted entitlement status into the CDBG program in September 2020. The Town's grant allocation has been increasing slightly over time. 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.

Grant amount by program year

Program Year	CDBG Allocation
10/1/2021 – 9/30/2022	\$230,932
10/1/2022 – 9/30/2023	\$244,728
10/1/2023 – 9/30/2024	\$255,712
10/1/2024 – 9/30/2025	\$264,043

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 were 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, low/moderate income special needs population 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.

CDBG Program Highlights

CDBG funding from the 2022 and 2023 program years is being used to support activities that are discussed in more detail below.

The hot meal delivery initiative through the Castle Rock Senior Activity Center continues to be supported with CDBG funds. During the past 12 months (June 2023 – May 2024), more than 1,200 meals total have been delivered to qualified individuals. The Senior Activity Center is actively working to expand the program and recently started delivering hot meals to qualified residents at Auburn Ridge. Funding for this program totaled \$29,539 from June 2023 through May 2024.

With the Town's recent purchase of historic Cantril School, staff is planning to use CDBG funding to make the exterior of Cantril School ADA accessible. This work would include sidewalks, parking spaces, ramps, handrails, etc. It is anticipated that these initiatives would use most (estimate \$300,000) of the 2022 and 2023 allocations for public facilities and infrastructure. It should be noted that Cantril School is located in the census block group with the highest percentage of low to moderate income individuals in Castle Rock.

Town staff is also collaborating to use CDBG funds to upgrade ADA accessible pool lifts for the Castle Rock Recreation Center and potentially Butterfield Crossing Pool (estimate \$17,000).

Lastly, the administrative cost allocation for managing the CDBG grant continues to come in under budget. This funding supports a part-time Grant Manager, technical support and consulting services as needed.

2024 Annual Action Plan

Public Comment Period

The 2024 AAP (**Attachment B**) was made available for public comment from May 29 – June 28. No comments have been received as of the writing of this memo. Any comments received throughout the public comment period will be incorporated into the AAP prior to HUD submission. The 2024 AAP was available for review at www.CRgov.com/cdbg, in the Town Hall lobby and at the Philip and Jerry Miller Library. Additionally, printed copies of these documents were available upon request.

In addition to the formal 30-day public comment period, staff held a CDBG Public Hearing on May 28, 2024. Attendees included three staff members. There were no public attendees (in person or virtually) who attended the meeting.

Recommendation

Staff recommends continuing to utilize CDBG funding to support senior services, providing support services to low/moderate income special needs populations, ADA improvements and to offset program administration costs as presented in the 2024 AAP. Public services and administration allocations are limited to 15 and 20 percent, respectively. Recommended funding allocations for the 2024 AAP are shown below for reference.

Project Name and Proposed Activity	Funding
CDBG: Public Services (15%) <ul style="list-style-type: none"> Supportive services for seniors, LMI special needs populations 	\$39,605
CDBG: Public Facilities & Infrastructure (65%) <ul style="list-style-type: none"> Public facilities, infrastructure 	\$171,630
CDBG: Administration (20%) <ul style="list-style-type: none"> Community Development Department Admin 	\$52,808
Total:	\$264,043

Next Steps

Should Town Council approve this resolution, staff will ensure that the 2024 AAP is submitted to HUD by the August 16, 2024 deadline. Following HUD acceptance of the plan, staff will proceed with selection of projects and implementation of the AAP.

Participation in CDBG and other HUD programs requires that the Town certify that it takes appropriate measures to Affirmatively Further Fair Housing (AFFH) in Castle Rock. Although the AFFH definition was changed in 2020, a 2021 rule change reverts to definitions from the 2015 rule. AFFH is currently defined as taking *“meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.”* While the 2020 rule allowed a wider interpretation of AFFH, the reversion to the 2015 rule requires a more proactive approach to AFFH for entities who accept HUD funding. The 2021 rule change has not yet been finalized and exact requirements are uncertain. Staff continues to monitor AFFH rule changes and will provide updates to Town Council as necessary.

Budget Impact

The Town's CDBG allocation for the next year is \$264,043. Approved grant expenditures are reimbursed through the CDBG program. Therefore, 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 2024 Annual Action Plan.

Proposed Motion

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

Attachments

Attachment A: Resolution

Attachment B: Castle Rock CDBG 2024 Annual Action Plan