



## **CITY COUNCIL STAFF REPORT**

**ITEM NO. 5.9**

**DATE:** June 23, 2025

**TO:** Honorable Mayor and City Council

**FROM:** Brent Smith, Community Development Director

**SUBJECT:** Resolution authorizing the allocation and appropriation of Community Development Block Grant and Home Investment Partnership Grant Funds in the total amount of \$1,041,020 for Fiscal Years 2025-27 and authorizing the execution of documents required to receive, use, and distribute funds.

### **RECOMMENDED ACTION**

The Human Services Commission and staff recommend the City Council adopt a resolution authorizing the allocation and appropriation of \$1,041,020 in funding for Fiscal Years 2025-27 as listed below and authorizing the City Manager to negotiate and execute all related documents, grant agreements, and modifications.

1. Community Development Block Grant Funds in the amount of \$793,816
2. Home Investment Partnership Funds in the amount of \$247,204

### **SUMMARY**

Each year, the City of Livermore brings together multiple funding sources to support capital projects and public service programs benefiting low-income Livermore households that are consistent with the goals and priorities as outlined in the City's Five-Year Consolidated Plan. These funding sources include Community Development Block Grant (CDBG) funds and HOME Investment Partnership Program (HOME) funds from the U.S. Department of Housing and Urban Development (HUD). These federal dollars are leveraged with the City's local resources.

On March 11, 2025, the Human Services Commission approved funding recommendations in the estimated total amount of \$2,074,878 from the federal grants, CDBG and HOME, as well as local funding from the Human Services Facility Fee, Affordable Housing In-Lieu, and Social Opportunity Endowment funds.

On April 28, 2025, Council approved recommendations for the local funding, which included the Human Services Facility Fee, Affordable Housing In-Lieu and Social Opportunity Endowment funds in the total amount of \$1,078,500 over two years.

On May 13, 2025, City staff was informed by HUD that FY 2025-26 entitlement for CDBG is \$396,908, which is an increase of 4% from the previous year. The HOME allocation, awarded to the City through the Alameda County HOME Consortium, is \$123,602 in FY 2025-26, which is a 5.5% increase from the previous year. The recommended federal grant allocations attached to the resolution as Exhibit A, are adjusted based on the actual federal funding awards to be received.

## **DISCUSSION**

### **Grant Allocation Process**

On September 10, 2024, the Human Services Commission recommended four funding priorities for the FY 2025-27 Housing and Human Services Grant Cycle. The four priorities included: Housing Services; Homeless Services; Health Care Services; Service Provision, Awareness, and Navigation. Council approved the four priorities on October 28, 2024.

As part of a regional coordinated effort to allocate funds to local agencies, staff worked with the Cities of Dublin and Pleasanton to make changes to the grant program, which included moving to a two-year grant cycle starting in FY 2025-26. A joint Tri-Valley Grant Application for the two-year grant cycle, which was released on November 25, 2024, and application requests were due to the City on January 17, 2025, and submitted electronically through an online grant application program.

All applicants were required to make a presentation and responded to questions regarding their grant application at a Joint Special Human Services Commission meeting on February 11, 2025, held in Dublin. Following the joint meeting, the Human Services Commission evaluated and scored all grant applications by non-profit and public agencies submitted to the City. Through the online grant application program, the average score of each application was calculated as the basis for staff to subsequently provide the Commission with funding recommendations. The Commission reviewed and approved the proposed funding recommendations during their regular meeting on March 11, 2025.

The City has traditionally allocated federal and local funds through the Housing and Human Services Grant Program to eligible public and non-profit agencies that provide housing and services. For FY 2025-27, the City's Housing and Human Services Grant Program received 31 applications from 24 agencies requesting \$3,075,658 in grant funding. For FY 2025-27, there is an estimated \$793,816 in CDBG funding, an estimated \$247,204 in HOME funding, \$182,000 in Human Services Facility Fee Funding, \$652,000 in Affordable Housing In-Lieu funding, and \$244,500 in Social Opportunity Endowment (SOE) funding over the two-year grant cycle that is being recommended to fund 15 projects (10 organizations), Section 108 Loans, and Administration for a total of \$2,119,520.

On April 28, 2025, Council approved recommendations for the local funding, which included the Human Services Facility Fee, Affordable Housing In-Lieu and Social Opportunity Endowment funds in the total amount of \$1,078,500 over two years.

Due to the uncertainty of the federal budget, the Human Services Commission and staff recommendations for CDBG and HOME were estimates and were not included in the City Council's recommendations for approval in April. On May 13, 2025, City staff was informed by HUD that FY 2025-26 allocation for CDBG was \$396,908, which is an increase of 4% from the previous year. The HOME grant, which is awarded to the City through the Alameda County HOME Consortium, received an

allocation of \$123,602 in FY 2025-26 grant funding, which is a 5.5% increase from the previous year. The attached federal grant allocations in Exhibit A to the resolution are adjusted grant awards based on the final grant allocations received and are recommended for approval.

A detailed description of each funding source with the recommendations is described below:

*Community Development Block Grant (CDBG) Funds \$793,816 (\$396,908 for FY 2025-26 and an estimate of \$396,908 for FY 2026-27):*

Federal CDBG funds originate as an entitlement grant from the U.S. Department of Housing and Urban Development (HUD). Program regulations require that CDBG entitlement fund programs address one of three national objectives: (1) assisting low-income persons, (2) eliminating slum and blighted property, or (3) meeting needs created by a national emergency. The City must annually report to HUD how each organization receiving CDBG funding meets at least one of the three national objectives as well as all other HUD and Office of Management and Budget program guidelines. HUD restricts the amount of CDBG funds a jurisdiction can allocate within a specific program area. The City may allocate up to 15 percent of the entitlement amount to public services that support operational costs and provide supportive safety net services to low-income persons, and 20 percent for administration of the program. For FY 2025-27, three projects, three section 108 loan repayments, and administration costs are recommended for funding:

<b>Organization/Project</b>	<b>FY 2025-26</b>	<b>FY 2026-27*</b>	<b>Total Recommendation</b>
Abode Services- Rapid Re-Housing / Tenant Based Rental Assistance Program	\$62,981	\$62,981	\$125,962
Tri-Valley Haven- Tenant Based Rental Assistance Program	\$36,788	\$36,788	\$73,576
Spectrum Community Service- Meals on Wheels	\$59,536	\$59,536	\$119,072
Section 108 Loan Repayment- Axis Community Health	\$26,775	\$26,194	\$52,969
Section 108 Loan Repayment- Hagemann Farms**	\$71,446	**\$0	\$71,446
Section 108 Loan Repayment- Emergency Shelter Rebuild	\$60,000	\$132,027	\$192,027
Administration	\$79,382	\$79,382	\$158,764
<b>Total</b>	<b>\$396,908</b>	<b>\$396,908</b>	<b>\$793,816</b>

\*FY 2026-27 recommendations are an estimate until final allocations are received from HUD.

\*\*The final loan payment for the Section 108 Loan for Hagemann Farm is in FY 2025-26.

*Home Investment Partnership Program Funds \$247,204 (\$123,602 for FY 2025-26 and an estimate of \$123,602 for FY 2026-27):*

Like CDBG, the HOME Program also has restrictive program allocation guidelines. Projects funded with

HOME dollars are limited to activities that either create or preserve housing opportunities. Eligible activities include acquisition, residential rehabilitation, new residential construction, homebuyer assistance, and tenant-based rental assistance (TBRA) that benefit low-income persons. HOME funds are allocated to the City through the Alameda County HOME Consortium. For FY 2025-27, two projects and administration costs are recommended for funding:

Organization/Project	FY 2025-26	FY 2026-27*	Total Recommendation
Abode Services- Rapid Re-Housing / Tenant Based Rental Assistance Program	\$74,895	\$74,895	\$149,790
Tri-Valley Haven- Tenant Based Rental Assistance Program	\$42,202	\$42,202	\$84,404
Administration	\$6,505	\$6,505	\$13,010
<b>Total</b>	<b>\$123,602</b>	<b>\$123,602</b>	<b>\$247,204</b>

\*FY 2026-27 recommendations are an estimate until final allocations are received from HUD.

### **FISCAL AND ADMINISTRATIVE IMPACTS**

Appropriation of the grant funds detailed above will come from the following sources as referenced in Exhibit A to the resolution: Community Development Block Grant funds \$793,816 (Fund 224); and HOME funds \$247,204 (Fund 225), for a total amount of \$1,041,020 over the two-year grant cycle.

### **COMMUNITY PILLAR**

1: A Safe Community That Thrives

### **GOAL**

8: Expand and improve access to human services

### **ATTACHMENTS**

1. Resolution

2. Exhibit A- Human Services CDBG and HOME Grant Recommendations- Fiscal Years 2025-27

Prepared by: Amy Walker  
Management Analyst 1

Approved by:



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Marianna A. Burch  
City Manager

Fiscal Review by:



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Tina Olson  
Administrative Services Director