

Capitola City Council

Agenda Report

Meeting: October 23, 2025

From: Community and Economic Development Department

Subject: 2021 CDBG Grant Closeout



Recommended Action: Conduct the duly noticed public hearing and receive a report summarizing the accomplishments performed under State CDBG Agreements 21-CDBG-NH-20008, 21-CDBG-NH-20009, and 21-CDBG-NH-20010; solicit citizen input regarding expenditures and accomplishments of the funding received under these contracts; and direct staff to proceed with submitting required documents for closeout to the State.

Background: The U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program authorizes the use of funds to assist low- and moderate-income families or aid in the prevention or elimination of slums or blight. There are two types of CDBG programs: "entitlement" and "non-entitlement". Metropolitan cities and urban counties are entitled to receive annual grants under the "entitlement" program directly from HUD. Metropolitan cities are principal cities or Metropolitan Areas (MAs) or other cities within MAs that have populations of at least 50,000. Urban Counties are within MAs that have a population of 200,000 or more, excluding the population of metropolitan cities within their boundaries.

The "non-entitlement" program is administered by the State Department of Housing and Community Development (HCD). The City has applied for funding under the State's competitive application process for many years and has been very successful in obtaining funding for various projects/programs, including, but not limited to: the Community Center Renovation Project, the Treasure Cove at Jade Street Park Project, local business assistance, food programs, and housing programs.

In 2021, the City applied for CDBG funding through the State's competitive NOFA process. The following table lists the state contract, subrecipient, and amount awarded during the 2021 cycle; however, these contracts were not received and executed until 2022.

21-CDBG-NH-20008	Grey Bears	Healthy Food Distribution	\$56,656
21-CDBG-NH-20009	Community Bridges	Meals on Wheels and Lift Line	\$320,700
21-CDBG-NH-20010	Second Harvest	Food Bank	\$119,840
Total Grant Funds			\$497,196

All funding identified has now been fully expended and reimbursed from the Housing and Community Development Department (HCD). It should be noted, the dollars listed above also include "grant administration," which is allowed and reimbursed by the HCD. These funds were used to pay for City staff time, consultant time, and public hearing notices.

Discussion: Now that all funds have been expended and grant contracts have reached their expiration date, HCD requires grantees to submit closeout documents for each contract. This process involves a public hearing to solicit citizen input regarding expenditures and accomplishments of the funding received under these contracts. Staff is now preparing the closeout documents for the City Manager to review and execute, prior to submittal to HCD.

Contract 21-CDBG-NH-20008: Grey Bears

Grey Bears successfully expended their grant funds over the course of a 12-month period. In total, they delivered 63,128 pounds of fresh produce, bread, and pantry staples to approximately 300 homebound seniors. Groceries were delivered weekly to drop-off locations throughout Capitola, including Shadowbrook Restaurant, Mid County Senior Center, and mobile home parks such as Tradewinds, Brookvale Terrace, and Loma Vista. Additionally, a number of seniors received direct grocery delivery to their homes, including residences located in the Jewel Box neighborhood, Clares Street, the Dakota Apartments, and the Bay Avenue Senior Apartments. The funds were used to assist Grey Bears with food purchases, program supplies, and volunteer mileage associated with deliveries.

Contract 21-CDBG-NH-20009: Community Bridges

Community Bridges successfully expended their grant funds over the course of a 27-month period, with services beginning in July 2023. The CDBG funds focus on providing meals on wheels to local seniors. These funds have been imperative in providing financial assistance to add breakfast delivery 7 days a week to residents. Since the grant began, Community Bridges has provided 40,829 meals to vulnerable seniors living in Capitola. This meal count includes 18,994 breakfasts and 21,835 dinners. In addition, Community Bridges provided 289 wellness checks to ensure optimum health. Of the participants receiving additional breakfast packs, 96% report that Meals on Wheels helps with their overall household budget, 76% report improved fruit and vegetable intake, 72% report improved consumption of milk, and 72% report that they have been eating breakfast more often than they used to since getting breakfast delivered by Meals on Wheels.

Contract 21-CDBG-NH-20010: Second Harvest Food Bank

Second Harvest Food Bank successfully expended their grant funds over the course of a 15-month period. CDBG funding was used to pay for food purchases, supply costs, and personnel costs to operate the food bank. The food bank works with a number of programs and locations to serve the Capitola community and ensure access to nutritional items. On average, the Food Bank distributed approximately 40,000 pounds of food to Capitola residents on a quarterly basis through their various programs.

Fiscal Impact: All CDBG funds utilized under these contracts were 100% grant-funded. There was no impact on the General Fund.

Report Prepared By: Katie Herlihy, Community and Economic Development Director

Reviewed By: Julia Gautho, City Clerk

Approved By: Jamie Goldstein, City Manager