

# Agenda Report

December 13, 2010

**TO: CITY COUNCIL/PASADENA COMMUNITY DEVELOPMENT COMMISSION**

**FROM: HOUSING DEPARTMENT**

**SUBJECT: JOINT PUBLIC HEARING: APPROVAL OF A SUBSTANTIAL AMENDMENT TO THE 2010 – 2015 CONSOLIDATED PLAN TO UPDATE THE RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN IN ACCORDANCE WITH SECTION 104(D) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 PERTAINING TO HOUSING AND COMMUNITY DEVELOPMENT PROJECTS ASSISTED WITH COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIP ACT (HOME) FEDERAL FUNDS**

## **RECOMMENDATION:**

It is recommended that the City Council and the Pasadena Community Development Commission ("Commission"), following the joint public hearing, adopt a resolution approving the submission, to the U.S. Department of Housing and Urban Development of a Substantial Amendment to the 2010-2015 Consolidated Plan as described in this agenda report.

## **BACKGROUND:**

As a recipient of community development and housing funds from the U.S. Department of Housing and Urban Development (HUD), the City is required to prepare and submit to HUD a Five-Year Consolidated Plan. The Consolidated Plan must be developed by local governments in order to receive funding under the Community Development Block Grant ("CDBG"), HOME Investment Partnerships ("HOME") and Emergency Shelter Grant programs. The Consolidated Plan is a comprehensive planning document that identifies the overall needs for affordable and supportive housing, homeless shelters and services, and community and economic development. The Consolidated Plan also identifies activities to be undertaken to meet local needs and serves as an application for entitlement fund allocations for programs. The 2010-2015 Consolidated Plan was approved by the City Council/Commission on May 10, 2010.

The City is proposing to amend its approved 2010-2015 Consolidated Plan to include recent HUD updates to the Residential Anti-Displacement and Relocation Assistance

Plan (RARAP). Pursuant to Section 104(d) of the Housing and Community Development Act of 1974, compliance with RARAP is triggered when CDBG or HOME funds are used in a project that demolishes or converts lower income dwelling units to another use. Lower income dwelling units are defined as units renting at or below the Fair Market Value. Converting one lower income dwelling unit to a non-housing use or market rate housing triggers compliance with RARAP for the entire project. Non-housing uses include: business use (office, commercial or industrial), public facilities and services and the conversion of a housing unit to a recreation room or computer room. The RARAP is required even if the local jurisdiction does not intend to carry out federally-funded activities that may result in displacement. The Housing Department's current development pipeline of affordable housing projects which may be eligible to be assisted with federal HOME funds will not result in residential displacement.

RARAP regulations contained in Code of Federal Regulations 24 CFR 42.325 require the following: 1) the one-for-one replacement of any low income units demolished or converted because of the HOME or CDBG project; 2) the publication of one-for-one replacement plans for each project that demolished or converted lower income units; 3) the provision of relocation assistance to displaced low income tenants; 4) a description of the steps to be taken to minimize displacement and replace lower income housing units demolished/converted because of CDBG or HOME projects; and 5) a description of the relocation assistance to be provided. The local jurisdiction is required to adopt the RARAP as part of the Consolidated Plan, and certify that it will follow the RARAP in compliance with Section 104(d) of the Housing and Community Development Act of 1974.

The draft Substantial Amendment to the RARAP section of the approved 2010–2015 Consolidated Plan was publicly noticed and available for public review in the Housing Department beginning November 12, 2010 and concluding on December 13, 2010.

**COUNCIL POLICY CONSIDERATION:**

This proposed action supports the City Council Strategic Planning Three-Year Goals, specifically in the areas of supporting the quality of life and the local economy, and maintaining fiscal responsibility and stability.

**FISCAL IMPACT:**

Approval of the subject recommendation will allow the City to remain in compliance with federal regulations to receive Community Development Block Grant, HOME Investment Partnership Act and Emergency Shelter Grant funding which totals \$ 3,861,823 annually.

Respectfully submitted,

  
for \_\_\_\_\_  
William K. Huang  
Housing Director

Prepared by:

  
\_\_\_\_\_  
Valerie Babinski-Manlic  
CDBG Program Coordinator

Approved by:

  
\_\_\_\_\_  
MICHAEL W. BECK  
City Manager

Attachments:

Exhibit A- Substantial Amendment  
Draft of the 2010-2015 Substantial Amendment in the City Clerk's Office

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE PASADENA CITY COUNCIL AUTHORIZING THE SUBMITTAL OF A SUBSTANTIAL AMENDMENT TO THE FIVE YEAR CONSOLIDATED PLAN (2010-2015) TO ALLOW THE CITY OF PASADENA TO AMMEND THE RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN IN ACCORDANCE WITH SECTION 104(D) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SUBSTANTIAL AMENDMENT AND ALL OTHER RELATED DOCUMENTS, AGREEMENTS, AND CERTIFICATIONS.

WHEREAS, the City of Pasadena (“the City”) is a municipal corporation which exercises governmental functions and powers, and is a chartered city organized existing under the laws of the State of California; and

WHEREAS, after publication of notice, a public hearing has been duly held by the City Council to consider 1) authorizing the submittal to the U. S. Department of Housing and Urban Development (HUD) of a Substantial Amendment to the Five-Year Consolidated Plan (2010-2015) for the Community Development Block Grant and HOME Investment Partnership Act Programs; and 2) authorizing the City Manger to execute the Substantial Amendment and all other related documents, agreements and certifications.

NOW, THEREFORE, BE IT RESOLVED by the Pasadena City Council as follows:

1. The terms and provisions of the Substantial Amendment to the Five-Year Consolidated Plan (2010-2015) are hereby approved and the City Manager is hereby authorized and directed to submit the Substantial Amendment to the Five Year Consolidated Plan (2010-2015) to HUD, together with any and all other documents, assurances and certificates as are lawful and necessary to complete the City’s reprogramming of funds and to secure the obtainment thereof under the Community Development Block Grant and HOME Programs.

2. The City Clerk is hereby authorized and directed for and on behalf of the City to attest any documents, assurances and certificates executed by the City Manager which are

deemed necessary and appropriate by HUD to complete the City's reprogramming of funds and to secure the obtainment thereof under the Community Development Block Grant and HOME Programs.

3. The amendment for the activities described in the Substantial Amendment to the five-Year Consolidated Plan (2010-2015) and the agenda report presented to the City Council at the meeting at which this resolution was adopted, are hereby approved by the City Council.

Adopted at the regular meeting of the Pasadena City Council on the 13<sup>th</sup> day of December 2010, by the following vote:

AYES:

NOES:

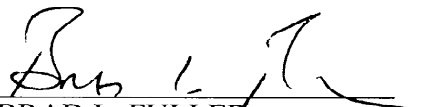
ABSENT:

ABSTAIN:

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MARK JOMSKY, CMC  
CITY CLERK

APPROVED AS TO FORM:



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BRAD L. FULLER

**CITY OF PASADENA**

**NOTICE OF PUBLIC HEARING**

**AND COMMENT PERIOD FOR**

**City of Pasadena's Housing Department Substantial Amendment to the Residential Anti-Displacement and Relocation Assistance Plan Section of the Approved 2010 – 2015 Consolidated Plan.**

The five year Consolidated Plan is a requirement of the U.S. Department of Housing and Urban Development (HUD). It must be developed by local governments in order to receive funding under the following federal programs: Community Development Block Grant (CDBG), the HOME Investment Partnerships Program (HOME) and the Emergency Shelter Grant (ESG).

The Consolidated Plan is a comprehensive planning document that identifies overall needs for affordable and supportive housing, homeless shelters and services, and community and economic development. The Plan also identifies activities to be undertaken to meet these needs and serves as an application for entitlement fund allocations for the programs.

The City is also required to prepare a yearly Action Plan describing the funding and program activities to be accomplished based on the priorities established by the Consolidated Plan.

The City of Pasadena is proposing to amend its approved 2010 – 2015 Consolidated Plan, Residential Anti-Displacement and Relocation Assistance Plan (RARAP) Section, to include updates recently revised by HUD.

Compliance with RARAP is triggered when CDBG or HOME funds are used in a project that demolishes or converts lower income dwelling units to another use. Lower income dwelling units are defined as units renting at or below the Fair Market Value. Converting one lower income dwelling unit to a non-housing use or market rate housing triggers compliance with RARAP for the entire project. Non-housing uses include: business use (office, commercial or industrial), public facilities and services and the conversion of a housing unit to a recreation room or computer room.

RARAP regulations require the following: 1) the one for one replacement of any low income units demolished or converted because of the HOME or CDBG project, 2) the publication of one for one replacement plans for each project that demolished or converted lower income units and 3) the provision of relocation assistance to displaced low income tenants. It also requires that the City have a RARAP.

24 CFR 42.325 describes the RARAP in more detail. The regulation requires the City to describe what steps it will take to minimize displacement and replace lower income housing units demolished/converted because of CDBG or HOME projects. The RARAP must also describe the relocation assistance to be provided. The development of the RARAP is required even if the City never intends to displace anyone. As part of the Consolidated Plan, City's certify that they will comply with Section 104(d) and that they are following a RARAP.

## **PUBLIC REVIEW PERIOD**

The draft Substantial Amendment to the Residential Anti-Displacement and Relocation Assistance Plan (RARAP) Section of the approved 2010 – 2015 Consolidated Plan will be available for public review **beginning November 12, 2010 and concluding on December 13, 2010.**

Copies of the Substantial Amendment to RARAP Section will be available at the Housing Department, 649 N. Fair Oaks, 2<sup>nd</sup> Floor, Pasadena, California 91109. To request copies of the Draft Substantial Amendment to the RARAP Section or for more information, please call (626) 744-8321.

Interested parties are encouraged to submit written comments on the proposed Substantial Amendment to the RARAP Section during the review period or to comment at the public hearings described below. Written comments should be sent to the City of Pasadena, Housing Department, Attn: Valerie Babinski-Manlic, Program Coordinator, Housing Department, P.O. Box 7115, Suite 202, Pasadena, California 91109, Telephone: (626) 744-8321 or Email: [VBabinski@cityofpasadena.net](mailto:VBabinski@cityofpasadena.net). Comments will be incorporated into the Substantial Amendment to the RARAP Section, as appropriate.

## **PUBLIC HEARINGS**

A public hearing, inviting the citizens of the City of Pasadena to provide comments on the proposed Substantial Amendment to the Residential Anti-Displacement and Relocation Assistance Plan (RARAP) Section will be held before the City Council at their regular meeting on Monday, December 13, 2010, at 7:30 p.m. in the Council Chambers at Pasadena City Hall, 100 N. Garfield Ave., Pasadena, California.

### **ESPAÑOL**

Información en Español acerca de esta junta puede ser obtenida llamando al (626) 744-8321.

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**RESIDENTIAL ANTI-DISPLACEMENT  
AND RELOCATION ASSISTANCE PLAN**

**CITY OF PASADENA  
FISCAL YEAR 2010-2011**

**Replaces the Anti-Displacement and Relocation Plan in the 2010-2015 Consolidated Plan**



instituted. The referral services could be Social Security Administration, Department of Public Social Services, Veteran's Administration, Lakewood Housing Authority, and other local service agencies.

- g. Where necessary, efforts will be made to trace self-relocatees.
- h. Assistance will be given in filing relocation claims.
- i. Delivery of benefit check will be made promptly and follow-up claims will be made.

#### **IV. RELOCATION ASSISTANCE**

Each low and moderate-income household that is displaced as a direct result of CDBG assisted activities shall be provided with relocation assistance. The low or moderate income household may elect to receive assistance described in 24 CFR Part 49 (HUD's regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970) or assistance as described under Section 104 (d) of the Housing and Community Development Act of 1974, as amended by Section 509 of the 1987 HCD Act provisions.

Displaced low or moderate income households will receive relocation assistance provided to displaced persons required under 24 CFR 49, Subpart C (General Relocation Requirements) and Subpart D (Payment for Moving and Related Expenses) whether the households receive assistance under the CFR or Section 104 (d) of the Act. Briefly, those benefits are as follows:

##### **Residential Benefits**

1. Actual moving and related expenses, as the Agency determines to be reasonable and necessary, including expenses outlined in 49 CFR 24.301.
2. Fixed payment for moving expenses as described in 49 CFR 24.302

##### **Non Residential Benefits**

1. Payment for actual reasonable moving and related expenses as described in 49 CFR 24.303.
2. Reestablishment expense as described in 49 CFR 24.304.
3. Ineligible moving and related expenses as described in 49 CFR 24.304 (b) and 49 CFR 24.305 will not be provided.
4. Fixed payments for moving expenses as described in 49 CFR.306.

## **V. COST ESTIMATE OF RELOCATION BENEFITS**

Since no relocation activity is contemplated, it is not possible to provide a cost estimate of relocating payment at this time. However, should it become necessary to make relocation payments, these payments will be funded with CDBG funds.

## **VI. PLAN FOR DISBURSEMENTS OF RELOCATION BENEFITS**

The disbursement of relocation benefits will be made in an orderly and readily available manner.

All claims for relocation payments must be submitted within 18 months after the displacement of the claimant. Relocation claim forms will be prepared by the relocation staff; the forms will be explained in detail to the claimant. Once the signature of the displacee has been obtained, the prepared forms, accompanied by a memorandum explaining the particular need, etc., of the claimant will be promptly delivered to the City, for review, approval and preparation of warrants. Upon verification of vacating the acquired property, the relocation benefits will be delivered.

Advanced payments will be processed when it is evident that there is a hardship. These payments will be delivered in a timely way to assure ease in securing relocated housing commitments.

A claim must be supported by the necessary documentation which may include itemized receipted moving bills, income tax returns, opening/closing escrow statements, verification of rental data and any other information deemed appropriate and necessary to support the claim.

All claim papers and related evidence will become permanent records of the Housing Department, City of Pasadena, as part of the individual files maintained for each displaced person or business.

If a business does not file a claim for any of the above benefits, it may file for In-Lieu of Moving and Related Expenses Payment. No payment of this kind shall be made unless the City is satisfied that the business cannot be relocated without substantial loss of patronage and is not part of a commercial enterprise having at least one other establishment not being acquired, which is engaged in the same or similar business.

This payment represents the average annual net income for the two years prior to displacement, except that the payment may not be less than \$1,000 nor more than \$20,000. (49 FR 24.306 {a})

Payments will be processed in a timely manner to minimize hardship.

## **VII. LAST RESORT HOUSING**

Last resort housing is not contemplated as it has been determined comparable replacement housing will be available for project residents within a reasonable period prior to displacement. However, if it is necessary procedures as referenced in the Uniform Act will be followed.

## **Anti-displacement and Relocation Plan**

The Citizen Participation Plan includes an Anti-displacement and Relocation Plan that describes how the City will help persons who must be temporarily relocated or permanently displaced due to the use of CDBG, HOME or ESG funds.

### **BACKGROUND**

The City of Pasadena has adopted a policy that requires that a relocation assessment be completed in any circumstance in which it is anticipated even one person will be displaced as the result of a project using federal funds. This policy exceeds all State and Federal requirements. The purpose of this assessment is to insure the City of Pasadena is advised early in the process of any major relocation problems that could be encountered in a project. The early recognition of problems gives the City the opportunity to review the impact that the project may have on the community.

In addition, the City of Pasadena follows the Citizen Participation process required in Paragraph 6012 of the State of California Relocation Regulations and HUD relocation regulations found in HUD Transmittal 1378 Paragraph 2-2. A summary of that process follows:

"All persons who may be displaced, neighborhood groups, formed relocation committees or similar individuals or organizations shall be given an opportunity and will be encouraged fully and meaningfully to participate in reviewing the relocation plans and/or assessments."

### **Definitions**

*Displacement* occurs when a person moves as a direct result of federally assisted acquisition, demolition, conversion, or rehabilitation activities, because he or she is:

- Required to move;
- Not offered a decent, safe, sanitary and affordable unit in the project;
- Treated "unreasonably" as part of a permanent or temporary move.

The term *displaced person* means any person that moves from real property or moves his or her personal property from real property permanently as a direct result of one or more of the following activities:

- Acquisition of, or written notice of intent to acquire, or initiation of negotiations to acquire, such real property, in whole or in part, for a project;
- Rehabilitation or demolition of such real property for a project;