

# Agenda Report

June 9, 2014

**TO:** Honorable Mayor and City Council

**FROM:** Housing & Career Services Department

**SUBJECT:** PUBLIC HEARING: APPROVAL OF SUBMISSION TO U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OF THE ANNUAL ACTION PLAN (2014-15) AND RELATED FUNDING ALLOCATIONS FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT; EMERGENCY SOLUTIONS GRANT; HOME INVESTMENT PARTNERSHIP ACT; AND PASADENA ASSISTANCE FUND

**RECOMMENDATION:**

It is recommended that upon the close of the Public Hearing the City Council adopt a resolution:

- 1) Approving the Annual Action Plan (2014-15) as an application to the U. S. Department of Housing and Urban Development (HUD) for funding under the Community Development Block Grant (CDBG); Emergency Solutions Grant (ESG); and HOME Investment Partnership Act (HOME) programs, consistent with the guidelines outlined in this report; and
- 2) Approving an application for CDBG funds in the amount of \$1,795,378; and the allocation of CDBG funds from program income in the amount of \$43,175, for a total of \$1,838,553 for 2014-15 CDBG program activities. Specific agency and City Set-Aside awards can be found in Attachments A, B, & C.
- 3) Approving an application for ESG funds in the amount of \$144,224; the reprogramming of unspent ESG carryover funds from prior program years in the amount of \$15,367, for a total of \$159,591 for 2014-15 ESG program activities. Specific ESG awards can be found in Attachment A.
- 4) Approving an application for HOME funds in the amount of \$560,368 for 2014-15 HOME program activities. Specific activities funded through HOME can be found in Attachment D.

- 5) Approving the allocation of local Pasadena Assistance Funds (PAF) in the amount of \$80,000 for 2014-16 human services activities. Specific agency awards can be found in Attachment A.

### **ADVISORY COMMISSION RECOMMENDATION:**

On April 24, 2014, the Northwest Commission recommended that the City Council approve the one year funding allocations for the CDBG projects listed in Attachment B.

On May 14, 2014, the Human Services Commission recommended that the City Council approve the two year funding allocations for CDBG, ESG, & Pasadena Assistance Fund (PAF) listed in Attachment A.

### **EXECUTIVE SUMMARY:**

The Annual Action Plan is a document submitted to HUD as a condition to receive entitlement grant funds, including CDBG, ESG, and HOME, and is a required component of the Five-Year Consolidated Plan. The Plan sets forth the projected use of the entitlement funds for the coming program year. Programs and projects allocated through the Annual Action Plan process include Public Service programs and Non-Public Service projects funded through CDBG, including Fair Housing Services; Americans with Disabilities Act (ADA) compliance projects; the Maintenance Assistance Services to Homeowners (MASH) program; and capital improvements to non-profit operated public-benefit facilities; programs to prevent and end homelessness funded through ESG; and housing rehabilitation and development funded through HOME. PAF funds, which are local funds available for public/human service activities, are also allocated through this process, but are administered by the Pasadena Community Foundation.

### **BACKGROUND:**

#### **Annual Action Plan (2014-15):**

The Plan sets forth the projected uses of funds for the coming program year, and addresses the available resources for program implementation, activities to be undertaken, program guidelines, and monitoring. The Plan addresses the efforts made toward accomplishing the goals and objectives included in the City's Five-Year Consolidated Plan (2010-2015). The Draft Annual Action Plan was available for public review and comment from May 8 through June 8, 2014. If any comments are received, they will be presented at the Public Hearing on June 9, 2014.

#### **CDBG Non-Public Service and Fair Housing Recommendations:**

Annually, the City distributes CDBG funds to the community for Non-Public Services through a Request for Proposals (RFP) process. Non-Public Services funding may be used for capital improvement, housing, and economic development projects. Additionally, entitlement jurisdictions are required to fund Fair Housing Services, which

is allocated through this RFP. Those projects being recommended for Non-Public Service and Fair Housing funding, not including City set-aside projects, total \$261,571 and are included in Attachment B.

**CDBG, ESG, & PAF Recommendations:**

CDBG and PAF funds are distributed bi-annually to the community through an RFP process. The City is eligible to use up to 15% of its CDBG allocation for public/human services. PAF funds are included in the same RFP, as were funds received by the City through bequests that have been earmarked as a source of funding for human services projects. PAF funds were transferred to the Pasadena Community Foundation following Council approval in 2013, and the funding is administered by the foundation, but are allocated through the City RFP process.

ESG funds must be used for programs specifically targeted to prevent and end homelessness and are allocated through a separate bi-annual RFP.

The CDBG and PAF projects being recommended for funding total \$349,000; and the ESG projects total \$159,591, and are included in Attachment A.

**City Set-Aside Recommendations:**

Annually, the City Council sets aside CDBG funds in a sufficient amount to fund eligible City projects recommended by the City Manager. The projects being recommended for funding are City-administered activities that are required or vital to the City, such as public facilities improvement projects, ADA compliance projects, and MASH, as identified in Attachment C. The total amount recommended for City Set-Aside projects is \$999,000, including \$70,000 for sidewalk replacement in Northwest Pasadena that was not included in the Draft Annual Action Plan, but which staff is recommending be included in the final award.

**HOME Recommendations:**

HOME funds of \$560,368 are available in the housing categories identified in Attachment D as part of the proposed 2014-15 HOME program.

The table below summarizes the federal and local funding sources totaling \$2,638,512 that are available for allocation through sub-recipients and through City Set-Aside for the provision of services/activities identified in Attachments A-D.

|   | Funding Sources                        | Amount             |
|---|--|--------------------|
| 1 | CDBG-Annual Entitlement                | \$1,795,378        |
| 2 | CDBG Program Income                    | \$43,175           |
| 3 | HOME Annual Entitlement                | \$560,368          |
| 4 | ESG Annual Entitlement                 | \$144,224          |
| 5 | ESG Carry-over                         | \$15,367           |
| 6 | Pasadena Assistance Fund (local funds) | \$80,000           |
|   | <b>TOTAL</b>                           | <b>\$2,638,512</b> |

**COUNCIL POLICY CONSIDERATION:**

This proposed action supports the City Council Strategic Planning Three-Year Goals in the areas of improving, maintaining, and enhancing public facilities and infrastructure; improving mobility and accessibility throughout the City of Pasadena; and supporting and promoting the quality of life and the local economy.

**FISCAL IMPACT:**

Approval of the Annual Action Plan (2014-15) by City Council and subsequent approval by HUD will provide an allocation of \$2,558,512 in federal entitlement funds for housing and community development activities.

Approval of the Annual Action Plan also enables the City to be eligible for other federally funded programs requiring consistency with an adopted Five-Year Consolidated Plan/Annual Action Plan.

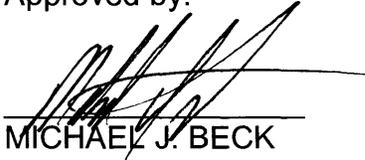
Respectfully submitted,

  
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Attachments: (4)

- Attachment A – CDBG Public, PAF, & ESG 2014-16 Funding Recommendations
- Attachment B – CDBG Non-Public & Fair Housing 2014-16 Funding Recommendations
- Attachment C – City Set Aside 2014-15 Funding Recommendations
- Attachment D – HOME 2014-15 Funding Recommendations