

Agenda Report

March 14, 2016

TO: Honorable Mayor and City Council

THROUGH: Economic Development and Technology Committee (March 7, 2016)

FROM: Housing and Career Services Department

SUBJECT: **PUBLIC HEARING: APPROVAL OF SUBSTANTIAL AMENDMENT TO ANNUAL ACTION PLAN 2015-2016 PERTAINING TO HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDING**

RECOMMENDATION:

It is recommended that upon the close of the public hearing the City Council take the following actions:

- 1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061 (b) (3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
- 2) Adopt a resolution approving a Substantial Amendment to Annual Action Plan 2015-2016 pertaining to HOME Investment Partnerships program funding, 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), including funds under the HOME Investment Partnerships program (HOME), the City of Pasadena is required to submit to HUD an Annual Action Plan for each federal program year. The City's Annual Action Plan for program year 2015-2016 was approved by City Council on July 13, 2015. The Annual Action Plan generally describes how the City will utilize its federal funds during the program year. In accordance with HUD regulations, any substantial change to an Annual Action Plan must be approved by the local government body in the form of a Substantial Amendment. The proposed changes to the City's Annual Action Plan 2015-2016, as described below, fall under HUD's definition of a Substantial Amendment.

ADVISORY BODY RECOMMENDATION:

The proposed Substantial Amendment was considered and approved by the Northwest Commission at its regular meeting of February 9, 2016.

SUBSTANTIAL AMENDMENT TO ANNUAL ACTION PLAN 2015-2016

The proposed Substantial Amendment to Annual Action Plan 2015-2016 consists of the following actions:

- a) Community Arms rehabilitation project: substitute out \$420,276 in program year (PY) 2014 HOME funds that were originally reserved for this project and substitute in \$420,276 in PY 2015 HOME funds; and
- b) Summit Grove homeownership project: allocate \$1,114,267 in HOME funds for this new project.

The table below sets forth the specific HOME PY funding for these two projects upon implementation of the Substantial Amendment to Annual Action Plan 2015-2016.

Project	HOME PY Funding
<p><u>Community Arms</u> 151 E. Orange Grove Blvd. Owner: Community Arms, LP Security upgrades and rehabilitation of a 133-unit HUD rental project for very low income families, built in 1973.</p>	<p>\$374,812 2015 HUD Allocation \$ <u>45,464</u> 2015 Program Income \$420,276 Total</p>
<p><u>Summit Grove</u> 104-112 E. Orange Grove Blvd. & 677 N. Summit Developer: HHP-Summit LLC Construction of a 21-unit low- and moderate income, affordable for-sale housing project.</p>	<p>\$ 420,276 2014 HUD Allocation \$ <u>693,991</u> 2015 Program Income \$1,114,267 Total</p>

Approval and implementation of the Substantial Amendment will facilitate the timely commitment and expenditure of PY 2014 HOME funds in accordance with HUD timeframes and regulations. Staff anticipates bringing a funding recommendation on the Community Arms project to City Council for consideration in the fourth quarter of FY 2016. A staff recommendation pertaining to budget authorization and the key terms of a development and loan agreement for the Summit Grove project is on this evening's City Council agenda, to be considered after action is taken on the subject recommendation.

COUNCIL POLICY CONSIDERATION

This proposed action supports the City Council Strategic Planning Three-Year Goals in the areas of: 1) promoting the quality of life and the local economy; and 2) maintaining fiscal responsibility and stability.

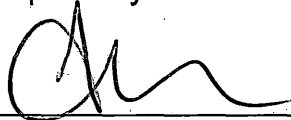
ENVIRONMENTAL ANALYSIS

The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "General Rule" provision of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The approval of a Substantial Amendment to the Annual Action Plan will not have a significant effect on the environment and, hence, is not subject to CEQA.

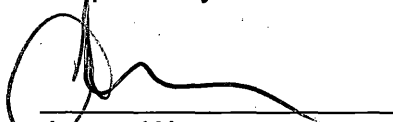
FISCAL IMPACT

There is no fiscal impact as a result of the action. Staff will recommend budget appropriations for the Summit Grove and Community Arms projects when these transactions are brought to City Council for consideration.

Respectfully submitted,


for _____
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Approved by



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