

# Agenda Report

May 20, 2019

**TO:** Honorable Mayor and City Council

**FROM:** Housing Department

**SUBJECT: PUBLIC HEARING: APPROVAL OF THE ANNUAL ACTION PLAN (2019-2020) AND RELATED FUNDING APPLICATIONS FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP ACT, AND EMERGENCY SOLUTIONS GRANT PROGRAMS**

## **RECOMMENDATION:**

It is recommended that upon 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);
- 2) Approve the Annual Action Plan, including the funding allocations set forth therein for Program Year 2019-2020 program activities under the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnerships (HOME) programs, for submittal to the U.S. Department of Housing and Urban Development (HUD);
- 3) Approve the submittal of a grant application for CDBG Program Year 2019-2020 entitlement funds in the amount of \$2,007,538;
- 4) Approve the submittal of a grant application for ESG Program Year 2019-2020 entitlement funds in the amount of \$168,431;
- 5) Approve the submittal of a grant application for HOME Program Year 2019-2020 entitlement funds in the amount of \$764,874; and
- 6) Authorize the City Manager to execute, and the City Clerk to attest, the Annual Action Plan (2019-2020), the grant applications, certifications, and any and all other documents deemed necessary by HUD to obtain the allocation of the aforementioned federal entitlement funds.

**ADVISORY COMMISSION RECOMMENDATIONS**

On February 14, 2018, the Human Services Commission approved recommendations for City Council consideration for CDBG public service projects listed in Attachment A.

On April 9, 2019, the Northwest Commission approved recommendations for City Council consideration for CDBG City Set-Aside projects listed in Attachment A.

**BACKGROUND:**

**Annual Action Plan (2019-2020):**

The Annual Action 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 (2015-2019). The Draft Annual Action Plan (Attachment B) was noticed in the Pasadena Star newspaper of its availability for public review and request for comment from April 18, 2019 through May 16, 2019, during which period no comments were received. Any public comments made at the Public Hearing on May 20, 2019, will be included in the Plan's final version.

**Funding Availability:**

Included in the City's submittal of the Annual Action Plan (2019-2020) to HUD is the submittal of grant applications for annual entitlement funding under the CDBG, ESG, and HOME programs. The available federal funding identified in the Annual Action Plan (2019-2020) consists of the proposed federal entitlement funds, any funds from previous program years, and program income. Annually, the City distributes these funds to address community needs through housing, homeless prevention, public service, infrastructure and public facility improvements, and for program administration. The table below summarizes anticipated federal entitlement funding availability for 2019-2020:

**Anticipated Funding Availability (2019-2020)**

	<b>Funding Source</b>	<b>Amount</b>
1	CDBG (Annual Entitlement)	\$2,007,538
2	CDBG (Anticipated Program Income)	\$225,000
3	CDBG (Previously Unspent)	\$6,286
4	Emergency Solutions Grant (ESG) (Annual Entitlement)	\$168,431
5	Emergency Solutions Grant (ESG) (Previously Unspent)	\$77,306
6	HOME (Annual Entitlement)	\$764,874
7	HOME (Anticipated Program Income)	\$98,115
	<b>Total</b>	<b>\$3,347,550</b>

All total available funds to be allocated in 2019-2020 for proposed project/services/activities are identified in Attachment A.

Annual Action Plan 2019-2020 (Year 5) Goals and Funding

	Year 5 Goals	Year 5 Funding
Housing	Owner-Occupied Housing Rehabilitated: 24 Housing Units  Renter-Occupied Housing: 4 Housing Units	CDBG: \$550,000  HOME: \$300,000  HOME/CHDO: \$474,900
Public Service	575 Persons Assisted	CDBG: \$252,317
Homelessness	Tenant-based Rental Assistance: 12 Households Assisted  Homeless Shelters: 399 Persons Assisted  Homelessness Prevention: 20 Persons Assisted  Street Outreach: 10 Persons Assisted	ESG: \$233,624
Infrastructure Improvements	7,147 Persons Assisted	CDBG: \$500,000
Public Facility Improvements	1 Building Facility	CDBG: \$70,000
Fair Housing	Outreach: No Goals Required	CDBG: \$50,400
Planning	Section 108 Repayment: No Goals Required	CDBG: \$420,000

\*Does not include administration funds totaling \$496,309 for Year 5.

**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.

**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 the subject Annual Action Plan is a funding mechanism only and is excluded from the definition of "project" pursuant to State CEQA Guidelines Section 15378(b)(4). Furthermore, the proposed action does not constitute a final funding commitment to any of the identified activities, as the grant sub-recipients of the activities would be required to enter into contractual agreements. Pursuant to the terms of the contracts, appropriate environmental review of each funded activity will take place prior to commencement of any activity. Therefore, the action proposed herein will not have a significant effect on the environment and, hence, is not subject to CEQA.

**FISCAL IMPACT:**

The recommended actions will have no direct fiscal impact. Approval of the Annual Action Plan (2019-2020) by the City Council and subsequent approval by HUD will result in a total allocation of \$3,347,550 in entitlement funds to support housing, community development, and homeless prevention activities. These federal funds will be included as revenue in the proposed FY 2020 operating budget of the Housing and Career Services Department. Approval also enables the City to be eligible for other federally funded programs requiring consistency with an adopted Five-Year Consolidated Plan and Annual Action Plan.

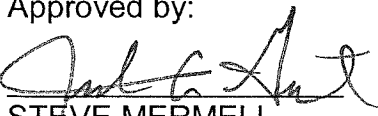
Respectfully submitted,

  
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Approved by:

  
STEVE MERMELL  
City Manager

Attachments: (2)  
Attachment A – CDBG, ESG, and HOME 2019-20 Funding Recommendations  
Attachment B - DRAFT 2019-2020 Annual Action Plan