

# Agenda Report

**DATE:** MAY 21, 2001

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

**FROM:** CYNTHIA J. KURTZ, CITY MANAGER/CHIEF EXECUTIVE OFFICER

**SUBJECT:** **JOINT PUBLIC HEARING: APPROVAL OF ANNUAL ACTION PLAN (2001-2002) FOR THE CITY'S PARTICIPATION THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), SECTION 108 LOAN RESERVE FUND, EMERGENCY SHELTER GRANT (ESG), HOME INVESTMENT PARTNERSHIP ACT (HOME), AND HOPWA (HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS) PROGRAMS; AND RELATED HUMAN SERVICES ENDOWMENT FUND (HSEF) ALLOCATIONS**

**RECOMMENDATION:**

It is recommended that upon the close of the public hearing the City Council and Community Development Commission adopt a resolution:

1. Approving the Annual Action Plan (2001-2002) which includes the following funding allocations: CDBG \$2,609,439; Section 108 Loan Reserve Fund \$42,000; HOME \$1,281,000; ESG \$88,000; and the related annual Human Services Endowment Fund \$120,000;
2. Authorizing the City Manager/Chief Executive Officer to execute, and the City Clerk to attest, the Annual Action Plan (2001-2002) and any and all other documents deemed necessary by HUD to obtain the allocation of the aforementioned federal CDBG, ESG, and HOME funds in accordance with the plan; and
3. Authorizing, upon approval by HUD of the City of Pasadena's application, the City Manager/Chief Executive Officer on behalf of the City of Pasadena and the Community Development Commission to execute, and the City Clerk to attest, the recipient, sub-recipient, owner participation agreements and/or amendments thereto, in a form acceptable to the City Attorney, for all the recipients and/or sub-recipients recommended for a funding allocation as contained in this report.

**BACKGROUND:**

The Annual Action Plan (2001-2002) sets forth the projected use of funds for the coming year. Among the items addressed in the Action Plan are available resources for program implementation, activities to be undertaken, program guidelines, and monitoring. Five funding sources are available for allocation to recipients/sub-recipients for the provision of “public/human service and non-public service” projects. This represents a total available allocation of \$ 4,230,439 to fund the proposed projects as indicated on the Funding Availability Table below:

**FUNDING TABLE (2001 - 2002 Program Year)**

<i>Funding Sources</i>	<i>Amount</i>
CDBG - Annual Entitlement	\$2,592,000
CDBG - HUD Reallocated Funds	\$17,439
CDBG - Section 108 Loan Reserve Fund	\$42,000
HOME Program	\$1,281,000
ESG/HTF	\$178,000
HSEF	\$120,000
<b>TOTAL</b>	<b>\$4,230,439</b>

On September 25, 2000, the City Council approved the needs assessment and program priorities recommended by the Northwest and Human Services Commissions, respectively, for allocating the CDBG/ESG/HSEF 2001-2002 Program Year funds.

On February 26, 2001, City Council approved the CDBG City Set-Aside in the amount of \$1,593,060 (\$803,731 for five eligible City administered non-public service projects; \$789,329 for Section 108 Loan Repayment and CDBG Program Administration). These Projects are listed in Exhibit “A” - City Council Agenda Report (February 26, 2001).

On April 2, 2001, the Human Services Commission finalized their funding recommendations for the CDBG/ESG/HSEF 2001-2002 Program Year public/human service projects (the second year of a two year allocation cycle). Twenty-three previously selected projects are recommended for funding in the amount of \$689,416 as listed in Exhibit “B.”

On April 4, 2001, the Northwest Commission finalized funding recommendations for the 2001 - 2002 Program Year non-public service projects. Eight projects in the economic development, housing, capital improvement, and planning/administration categories were recommended for funding in the amount of \$666,963 as listed in Exhibit “C.” Thirteen proposals were received requesting funding for non-public service projects, however, one proposal failed to meet the threshold requirements and was removed from further funding consideration. The twelve remaining proposers are identified in Exhibit “D.”

HOME Investment Partnership funds totaling \$1,281,000 for the five four housing categories identified in Exhibit “E” is part of the 2001-2002 Commission budget which will be submitted in June 2001 for Council approval.

**CHILDREN, YOUTH AND FAMILY IMPACT:**

Approval of the above mentioned proposed funding recommendations will provide economic development, housing rehabilitation, planning/administration, fair housing counseling, public/human service activities, public facilities improvements and financial support to other proposed projects throughout the CDBG Benefit Service Area of the City for children, youth and families. The provision of these services will have a positive impact on the quality of life for the residents of the City; and will directly and indirectly impact the delivery and availability of services to approximately 20,000 households over the next program year.

**FISCAL IMPACT:**

Approval of the Annual Action Plan (2001-2002) by the City Council/Community Development Commission and subsequent approval by HUD will contribute \$4,230,439 in federal dollars toward achievement of the City's affordable housing and community development goals through funding from the CDBG, Section 108 Loan Reserve Fund, ESG and HOME Programs.

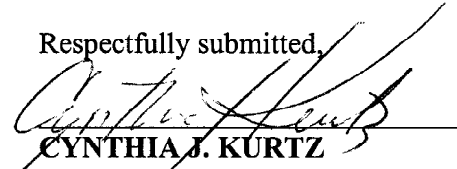
Approval of the 2001-2002 Program Year CDBG funding recommendations will obligate \$2,260,023 for the proposed projects. This amount includes the approved 2001-2002 City Set-A-Side projects.

Approval of the 2001-2002 Program Year HOME funding recommendations will obligate \$1,281,000 for the proposed affordable housing projects.

Approval of the 2001-2002 Program Year ESG funding recommendations will obligate \$178,000 (\$88,000 in ESG and \$90,000 in matching Housing Trust Funds) for the proposed projects.

Approval of the 2001-2002 Human Services Endowment Fund (HSEF) funding recommendations will obligate \$120,000 annually from the HSEF accrued interest earnings for the proposed projects.

Respectfully submitted,

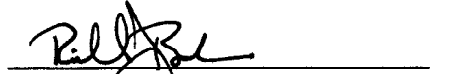
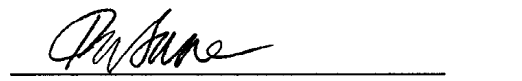


**CYNTHIA J. KURTZ**  
City Manager/Chief Executive Officer

Prepared by:

  
**EUNICE GRAY**  
Program Coordinator

Approved by:

  
**RICHARD J. BRUCKNER**  
Director, Planning and Development  
**PATRICIA A. LANE**  
Director, Human Services, Recreation and  
Neighborhoods Department

Attachments: Exhibits: A - E

Note: A copy of the Draft Annual Action Plan (2001-2002) is on file in the City Clerk's Office