

# Agenda Report

**DATE:** MAY 19, 2003

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

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

**SUBJECT:** JOINT PUBLIC HEARING: APPROVAL OF ANNUAL ACTION PLAN (2003-2004) FOR THE CITY'S PARTICIPATION IN THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG); EMERGENCY SHELTER GRANT (ESG); HOME INVESTMENT PARTNERSHIP ACT (HOME); 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 (2003-2004) which includes the following funding allocations: CDBG \$2,836,312; HOME \$1,385,049; ESG \$119,000; \$91,000 in Housing Trust Funds; 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 (2003-2004) and any and all other documents deemed necessary by HUD to obtain the allocation of the aforementioned federal CDBG, ESG, HOME, and HOPWA 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 Pasadena Community Development Commission to execute, and the City Clerk to attest, the recipient, sub-recipient, 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.

**ACTIONS OF ADVISORY BODIES:**

The subject recommendation was approved by the Northwest Commission on April 22, 2003; and approved by the Human Services Commission on May 5, 2003.

**BACKGROUND:**

The Annual Action Plan (2003-2004) 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. Six 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 \$ 4,562,739 to fund the proposed projects as indicated on the Funding Availability Table below:

**FUNDING AVAILABILITY TABLE (2003 - 2004 Program Year)**

<i>Funding Sources</i>	<i>Amount</i>
CDBG - Annual Entitlement/HUD Reallocated	\$2,836,312
CDBG - Section 108 Loan Account	\$19,000
CDBG - Program Income	\$20,000
HOME Program	\$1,357,427
ESG/HTF	\$210,000
Human Services Endowment Fund (HSEF)	\$120,000
<b>TOTAL</b>	<b>\$4,562,739</b>

On September 30, 2002, 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 2003-2004 Program Year funds.

On Monday, March 24, 2003, City Council approved the CDBG City Set-Aside in the amount of \$1,710,659: (\$851,100 for three eligible City administered non-public service projects; \$859,559 for Section 108 Loan Repayment and CDBG Program Administration). These projects are listed in Exhibit "A" - City Council Agenda Report (March 24, 2003).

On April 22, 2003, the Northwest Commission finalized funding recommendations for the 2003 - 2004 Program Year non-public service projects. Seven projects in the economic development, housing, and planning/administration categories are recommended for funding in the amount of \$773,400 (\$745,778 CDBG and \$27,622 in prior year HOME Program funds), as listed in Exhibit "B." Eleven proposals were received requesting funding for non-public service projects; all proposals were considered for funding.

On May 5, 2003, the Human Services Commission finalized funding recommendations for the CDBG/ESG/HSEF 2003-2004 Program Year public/human service projects. Nineteen projects are recommended for funding in the amount of \$748,884 as listed in Human Services Commission Recommendations - Exhibit "C." This is the second year of the Human Services Commission's funding cycle: 2002/03 and 2003/04.

The HOME Investment Partnership Program (HOME) funds totaling \$1,357,427 for the housing categories identified in Exhibit "D" shall be part of the proposed 2003-2004 Commission budget.

In addition, Housing Opportunities for Persons with AIDS (HOPWA) funds in the amount of \$156,000 are provided through an Agreement between the Los Angeles City Housing Department and the Pasadena Community Development Commission. As Project Sponsor, the Commission administers the HOPWA Program in the City of Pasadena. HOPWA funds are used to provide tenant-based rental assistance to those persons and their families who are impacted by HIV/AIDS.

Staff has been informed by one of the non-profit providers recommended for funding that they may be reconsidering their funding request. If they choose not to pursue the CDBG funded activity, those funds will need to be reprogrammed. The reprogramming will require City Council action preceded by a recommendation from the Northwest Commission.

#### **CHILDREN, YOUTH AND FAMILY IMPACT:**

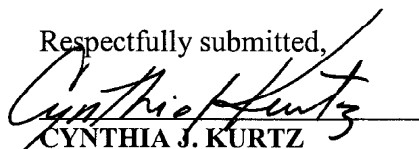
Approval of the above mentioned proposed funding recommendations will provide economic development, housing rehabilitation, planning/administration, fair housing counseling, and public/human service activities throughout the CDBG Benefit Service Area (refer to map, Exhibit "E") of the City for children, youth and families. The provision of these services will contribute to 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 15,000 households over the next program year.

#### **FISCAL IMPACT:**

Approval of the Annual Action Plan (2003-2004) by the City Council/Community Development Commission and subsequent approval by HUD will contribute in excess of \$4.5 million in federal dollars toward achievement of the City's affordable housing and community development goals through funding from the CDBG; HOME; ESG/HTF; HSEF; and HOPWA Programs as follows:

- CDBG Program Year 2003-2004 funding recommendations allocating \$2,875,312 to the proposed projects. This amount includes the approved 2003-2004 City Set-Aside projects.
- HOME 2003-2004 Program Year funding recommendations allocating \$1,385,049 (\$1,357,427-Entitlement and \$27,622 in prior year's HOME funds) to the proposed affordable housing projects.
- ESG 2003-2004 Program Year funding recommendations allocating \$210,000 (\$91,000 in ESG; \$91,000 in the required local match using Housing Trust Funds; and the reprogramming of \$28,000 in prior year's ESG funds) to the proposed projects.
- Human Services Endowment Fund (HSEF) 2003-2004 Program Year funding recommendations allocating \$120,000 from the HSEF accrued interest earnings to the proposed projects.
- HOPWA funds (through an agreement with L.A. City Housing Department) will be used to continue to provide rental assistance to local residents impacted by HIV/AIDS.


Respectfully submitted,




CYNTHIA J. KURTZ

City Manager/Chief Executive Officer


Prepared by:

  
\_\_\_\_\_  
**EUNICE GRAY**  
Project Planner


Reviewed by:

  
\_\_\_\_\_  
**GREGORY ROBINSON**  
Housing and Community Development Administrator

Approved by:

  
\_\_\_\_\_  
**RICHARD J. BRUCKNER**  
Director, Planning and Development Dept.

Concurrence:

  
\_\_\_\_\_  
**PATRICIA A. LANE**  
Director, Human Services and Recreation  
Department

Attachments: Exhibits: A- E

A copy of the Draft Annual Action Plan (2003-2004) is on file in the City Clerk's office.