

Agenda Report

TO: CITY COUNCIL

DATE: June 1, 2009

FROM: CITY MANAGER

SUBJECT: PUBLIC HEARING: APPROVAL OF SUBMISSION TO U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OF A SECOND SUBSTANTIAL AMENDMENT TO 2008/2009 ANNUAL ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY PROGRAM – STIMULUS FUNDING

RECOMMENDATION:

It is recommended that upon close of the public hearing, the City Council adopt a resolution:

- 1) Authorizing the submittal to the U. S. Department of Housing and Urban Development (HUD) of a Second Substantial Amendment to the Consolidated Plan 2008/2009 Action Plan for the Community Development Block Grant Recovery Program (CDBG-R) consistent with the guidelines outlined in this report; and
- 2) Authorizing the City Manager to execute, and the City Clerk to attest, the Second Substantial Amendment and all other related documents, agreements and certifications and to take all other actions necessary to implement the program.

BACKGROUND:

The American Recovery and Reinvestment Act (ARRA) was signed into law on February 17, 2009 to stimulate the U.S. economy. The Community Development Block Grant Entitlement Program is one of the federal mechanisms employed to distribute ARRA funding. CDBG Entitlement grantees throughout the nation will receive an additional allocation equal to about 27 percent of their regular FY 2008 CDBG allocation. These supplemental funds are known as the Community Development Block Grant Recovery Program (CDBG-R). The City of Pasadena will receive \$593,497 in these funds.

Expedited Process

ARRA was signed into law on February, 17, 2009; however, program requirements for CDBG-R were not released by HUD until May 5, 2009. Among these requirements; cities and counties must submit to HUD a Substantial Amendment to their 2008/2009 annual action plan for the CDBG-R grant by June 5, 2009 and it must include the projects to be funded with CDBG-R. Failure to meet the submission deadline for CDBG-R may constitute grounds for HUD to cancel that jurisdiction's CDBG-R funding allocation.

To adjust for the very short timeframe, HUD is waiving the requirement that a grantee follow its citizen participation plan for the CDBG-R substantial amendment. With the regular CDBG program, a grantee is required to provide 30 calendar days for soliciting comments from its citizens before it submits an annual action plan to HUD. For the CDBG-R substantial amendment, HUD has shortened the minimum time for citizen comments to 7 calendar days and has required the substantial amendment materials to be posted on the grantee's official website as the materials are developed. The CDBG-R substantial amendment materials were posted on the City's official website on May 21, 2009.

Due to the pressing deadline, it was not practical to bring the CDBG-R recommended projects to the CDBG advisory bodies (Humans Services and Northwest Commission) for their review and recommendation. However, non-public service projects that have been identified for CDBG-R funding are consistent with the needs priorities established by the advisory bodies and adopted by the City Council for the 2008/2009 and 2009/2010 program years. With regards to the recommended funding of public service projects with CDBG-R, staff referred to the June 23, 2008 Public Hearing for the submission to HUD of 2008/2009 Annual Action Plan. At that time, there were not sufficient funds to fund or fully fund all public services projects Council wished to support. In the motions that passed at close of the public hearing, staff was instructed to fund four proposed projects that did not receive funding and to increase funding of one project if additional resources became available. The supplemental funds to be received through CDBG-R make it possible to fulfill Council's desire and provide funding to the four projects that did not get funded and provide additional funding to the one project Council wished to further support.

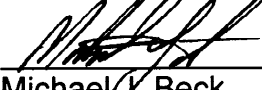
Eligible Activities/Allocation of Funding

In most respects, CDBG-R funds may be used in the same manner as the regular CDBG entitlement funds. However, HUD strongly urges CDBG recipient agencies to use CDBG-R funds for hard development costs associated with infrastructure activities (including public facilities) that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. Eight projects are recommended to receive CDBG-R funds (Exhibit A). The three non-public services projects recommended conform to these preferences. The five public service projects recommended represent only 15% of the grant and do not necessarily correspond to the preferences. However, CDBG-R is part of the American Recovery and Reinvestment Act which among its purposes are the goals of expanded education opportunities and access to health care. When viewed in this light, the public services projects are clearly within the spirit of the Recovery Act.

FISCAL IMPACT:


Approval of the subject Second Substantial Amendment to the Consolidated Plan Annual Action Plan 2008 by Council and subsequent approval by HUD will contribute \$593,497 to the City for Community Development Block Grant activities.

Respectfully Submitted,



Michael J. Beck
City Manager

Prepared by:



John D. Depew
Program Coordinator

Approved by:



William K. Huang
Housing Director

Concurrence:



Patricia A. Lane
Human Services, Recreation, and
Neighborhoods Director

Attachment
Attachment A

CDBG-R Recommended Projects

Activity Name	Activity Description	CDBG-R Funding
Non-Public Services		
City of Pasadena - La Pintesca Park Teen Center	The project will rehabilitate a City of Pasadena property to be used as a community teen center. The building is in a deteriorated condition and will require replacement of lights, electrical outlets, plumbing fixtures, doors, windows, flooring and have both its interior and exterior painted. In addition, the facility will be brought into ADA compliance and wired to accommodate multiple computer workstations. All work will be done using "state of the art" materials and equipment designed to save water and energy.	\$275,000
Pasadena Enterprise Center Solar Energy Project - Phase I	The Project will retrofit photovoltaic solar panels on the roof of the Pasadena Enterprise Center, a small business incubator. The goals of the project are to reduce operating costs of the Center, reduce the demand for electrical energy and reduce the building's "carbon footprint."	\$135,124
Pasadena Neighborhood Housing Services - High-Efficiency Toilets Project	The project will replace old toilets that use large amounts of water with new high efficiency toilets. This effort will be done in collaboration with the Pasadena Water and Power Department (PWP). Pasadena Neighborhood Housing Services will administer the project and the toilets will be purchased by PWP and given as an in-kind contribution to the project. The goal is to replace 150 toilets. The project will be done entirely within the CDBG Benefit Service Area and be confined to low income homeowners.	\$35,000
Public Services		
Child Care Information Services - Pasadena Collaborative Literacy Project	The goals of the Pasadena Collaborative Literacy Project are to 1) improve the quality of early care and education through literacy efforts and enhanced learning opportunities for children from birth to 8 years; 2) prepare early childhood providers and teachers to support children's early literacy through developmentally appropriate, culturally-centered ways; and 3) support parents and families in their roles as primary teachers supporting their children's literacy.	\$20,000
Community Health Alliance of Pasadena - Health Smiles, Brighter Futures Project	The Healthy Smiles, Brighter Futures project works in collaboration with Union Station Homeless Services. The program provides needed oral health care to the homeless community in Pasadena to help build self-esteem and confidence. The project should make it easier for clients to complete the SOURCES program at Union Station and secure gainful employment.	\$20,000

Activity Name	Activity Description	CDBG-R Funding
Door of Hope - Case Management for Homeless Families	The Case Management for Homeless Families project provides case management services to homeless families in Pasadena. Program staff works with clients to help them find employment, save money, pay off debts, attend counseling, access affordable child care and locate permanent affordable housing.	\$20,000
El Centro de Accion Social Inc. - Youth Education Program	The Youth Education Program provides a variety of youth development activities through three core activities: 1) After School Tutorials; 2) Youth Leadership Academy and 3) Summer School in the Park.	\$20,000
Foothill Unity Center - Nutrition Assistance Project	The Nutrition Assistance Project provides nutritious food, including fresh produce, milk and dairy products to low-income and homeless families in Pasadena. This project is recommended to receive additional funding. It is currently \$50,000 per year in regular CDBG funds.	\$9,024
Administration		
Administration	Funds will be used to administer the CDBG -R program, including: preparation and submission of required contracts with HUD, submission of all reporting requirements, provision of oversight and monitoring of all CDBG-R projects, fiscal management and oversight. Program Administration is performed by a combination of City Staff and a Consultant.	\$59,349
Total		\$593,497

RESOLUTION NO. _____

A RESOLUTION OF THE PASADENA CITY COUNCIL AUTHORIZING THE SUBMITTAL OF A SECOND SUBSTANTIAL AMENDMENT TO THE ANNUAL ACTION PLAN (2008-2009) TO ALLOW THE CITY OF PASADENA TO RECEIVE \$593,497 IN COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY FUNDS FROM THE U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT FOR THE CITY'S FISCAL YEAR 2008-2009, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SECOND SUBSTANTIAL AMENDMENT AND ALL OTHER RELATED DOCUMENTS, AGREEMENTS, AND CERTIFICATIONS.

WHEREAS, the City of Pasadena ("the City") is a municipal corporation which exercises governmental functions and powers, and is a chartered city organized and existing under the laws of the State of California; and,

WHEREAS, after publication of notice, a public hearing has been duly held by the City Council to consider: 1) authorizing the submittal to the U. S. Department of Housing and Urban Development (HUD) of a Second Substantial Amendment to the 2008 Annual Action Plan for Community Development Block Grant Recovery (CDBG-R) funds; and 2) authorizing the City Manger to execute the Second Substantial Amendment and all other related documents, agreements and certifications;

NOW, THEREFORE, BE IT RESOLVED by the Pasadena City Council as follows:

1. The terms and provisions of the Second Substantial Amendment to the Annual Action Plan (2008-2009) are hereby approved, and the City Manager is hereby authorized and directed to submit the Second Substantial Amendment to the Annual Action Plan (2008-2009) to HUD, together with any and all other documents, assurances and certificates as are lawful and necessary to complete the City's application for an allocation of funds and to secure the obtainment thereof under the Community Development Block Grant Recovery Program.
2. The City Clerk is hereby authorized and directed to attest any documents, assurances and certificates executed by the City Manager which are deemed necessary and

appropriate by HUD to complete the City's application for an allocation of funds, to secure the obtainment thereof under the Community Development Block Grant Recovery Program.

Adopted at the regular meeting of the Pasadena City Council on the 1st day of June 2009, by the following vote:

AYES:

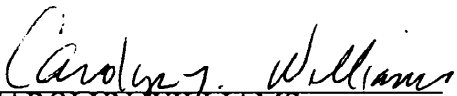
NOES:

ABSENT:

ABSTAIN:

MARK JOMSKY, CMC
CITY CLERK

APPROVED AS TO FORM:


CAROLYN WILLIAMS
ASSISTANT CITY ATTORNEY