

# Agenda Report

July 16, 2012

**TO:** Honorable Mayor and City Council

**FROM:** Housing Department

**SUBJECT: PUBLIC HEARING: APPROVAL OF SUBSTANTIAL AMENDMENT TO ANNUAL ACTION PLANS FOR PROGRAM YEARS 2006 THROUGH 2011 TO REALLOCATE FEDERAL HOME INVESTMENT PARTNERSHIP ACT FUNDS**

## **RECOMMENDATION:**

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

1) Adopt a resolution:

a) approving the Substantial Amendment to the Annual Action Plans for Program Years 2006 through 2011 to reallocate federal Home Investment Partnership Act (HOME) funds in the manner specified in this agenda report;

b) authorizing and directing the City Manager to submit the Substantial Amendment to the U. S. Department of Housing and Urban Development together with any other documents as are necessary to implement the Substantial Amendment; and

c) authorizing and directing the City Clerk to attest any documents executed by the City Manager.

2) Recognize HOME revenues for the Housing Department's FY 2013 operating budget in the total amount of \$226,757 as follows: a) \$54,754 for Security Deposit Grant Program (Account No. 6229-221-684111); b) \$200,000 for Tenant-Based Rental Assistance (Account No. 6229-221-684112); c) \$12,003 for Administration (Account No. 6229-221-684130); and

3) Approve a journal voucher increasing appropriations for the Housing Department's FY 2013 operating budget in the total amount of \$266,757 as follows: a) \$54,754 for Security Deposit Grant Program (Account No. 8105-221-

68411); b) \$200,000 for Tenant-Based Rental Assistance (Account No. 8105-221-684112); and c) \$12,003 for Administration (Account No. 8114-221-684130).

**BACKGROUND:**

As a recipient of federal Home Investment Partnership Act (HOME) funds from the U. S. Department of Housing and Urban Development (HUD), the City is required to prepare and submit to HUD an Annual Action Plan for each federal Program Year. The Annual Action Plan generally describes how the City will allocate and utilize these funds for eligible activities.

The Housing Department proposes to amend certain activities that were allocated HOME funds totaling \$2,445,673 in Program Years 2006 through 2011. The proposed amendments to these allocations would: a) close out completed or discontinued activities; b) assist remaining housing pipeline projects; c) direct funds to priority programs; or d) satisfy HUD-mandated funding commitment deadlines or other regulations. Collectively, these amendments comprise the "HOME Substantial Amendment for Program Years 2006 through 2011" (the "Substantial Amendment"), included as Attachment "A" of this agenda report. The Substantial Amendment involves the reallocation of prior Program Years HOME funds to the activities described in the table below.

PROJECT/PROGRAM	DESCRIPTION	PRIOR YEARS FUNDING
<b>Mar Vista Union project</b> (131-135 N. Mar Vista Ave.)	Previously approved project. New construction of a 20-unit permanent supportive housing project for homeless families being developed by the nonprofit National CORE with services provided by Union Station Homeless Services. The recommended HOME funding (plus \$685,217 Inclusionary funds) will fill a \$2.25M financing gap caused by the loss of City of Industry redevelopment funds administered by the County of Los Angeles.	\$1,564,783
<b>Villa Parke Homes</b> (422 & 488 N. Raymond Ave. 557 N. Los Robles Ave.)	Rehabilitation of a 9-unit scattered site affordable family rental project that was developed in 1989 by nonprofit Abode Communities with City assistance. An additional \$60,867 will be allocated from new Program Year 2012 HOME CHDO funds for \$425,000 total loan assistance to the project.	\$364,133

<b>Neighborhood Housing Services of Los Angeles County – Single-Family Home Rehabilitation program</b>	New program. Housing rehabilitation assistance for low income homeowners. HOME funds will be used for this program in lieu of CDBG funds.	\$250,000
<b>Security Deposit Grant Program</b>	New program administered by Housing Dept. Provide assistance for VASH and Project HOUSED chronically homeless clients who will be permanently housed with supportive services.	\$54,754
<b>Tenant-Based Rental Assistance</b>	Existing program administered by the Housing Dept. Funding for current participants in the 2-year program (program is closed to new clients).	\$200,000
<b>Administration (Housing Dept.)</b>	Program administrative costs as allowed per HOME regulations	\$12,003
	<b>TOTAL PRIOR YEARS HOME FUNDS</b>	<b>\$2,445,673</b>

A "Notice of Intent To Amend HOME Annual Action Plans for HUD Program Years 2006 through 2011" was published in the Pasadena Star News on June 15, 2012 informing the public of the availability of a draft Substantial Amendment for public review and comment from June 15, 2012 through July 16, 2012, and of the scheduled City Council public hearing. No comments were received.

**COUNCIL POLICY CONSIDERATION:**

This proposed action supports the City Council Strategic Planning Three-Year Goals specifically in the areas of improving, maintaining and enhancing public facilities and infrastructure; supporting the quality of life and the local economy; and maintaining fiscal responsibility and stability.

**FISCAL IMPACT:**

Approval of the staff recommendation will result in an increase in the amount of \$266,757 to the FY 2013 Housing Department operating budget as follows: a) \$54,754 for Security Deposit Grant Program (Account No. 8105-221-684111); b) \$200,000 for Tenant-Based Rental Assistance (Account No. 8105-221-684112); and c) \$12,003 for Administration (Account No. 8114-221-684130).

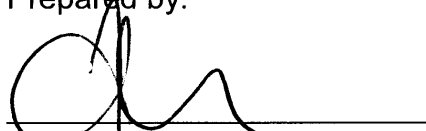
Actions to recognize HOME revenues totaling \$2,178,916 and approve journal vouchers increasing appropriations for the Housing Department's FY 2013 operating budget in connection with the Mar Vista Union project, the Villa Parke Homes project, and the

Single-Family Home Rehabilitation program will be included in separate staff recommendations in connection with the respective funding agreements for these projects/programs as they are brought to City Council.

Respectfully submitted,

  
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William K. Huang  
Housing Director

Prepared by:

  
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James Wong  
Senior Project Manager

Approved by:

  
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MICHAEL J. BECK  
City Manager

Attachments: Attachment A – HOME Substantial Amendment for Program Years 2006 through 2011

# HOME Substantial Amendment for Program Years 2006 through 2011

## ATTACHMENT "A"

Source of Funds	Approximate Amount of Funds	Proposed New Allocation of Funds
Commitment Shortfall – Program Year 2010	\$ 1,024,850	\$ 1,024,850 Mar Vista Project
Prior Years Program Income (2006-2011)	\$ 120,033	\$ 108,030 Mar Vista Project \$ 12,003 Program Administration
New Revelation Project (cancelled project)	\$ 314,778	\$ 314,778 Mar Vista Project
Tenant Based Rental Assistance (TBRA)	\$ 533,277	\$ 200,000 TBRA (an existing program) \$ 250,000 NHS of LA County Single-Family Homes Rehab Program
American Communities Fund debt service	\$ 33,848	\$ 83,277 Mar Vista Project
Available CHDO Funds (2010)	\$ 193,790	\$ 33,848 Mar Vista Project
Available CHDO Funds (2011)	\$ 170,343	\$ 193,790 Villa Parke Homes Rehabilitation Project
Emergency Rental Assistance Program (2010)	\$ 54,754	\$ 170,343 Villa Parke Homes Rehabilitation Project
<b>TOTAL</b>	<b>\$2,445,673</b>	<b>\$ 54,754 Security Deposit Grant Program</b>

**Project/Program Descriptions**

- **Mar Vista Project:** New construction of a 20-unit affordable rental development at 131-135 N. Mar Vista Ave., providing permanent supportive housing for homeless families. National Community Renaissance is the developer; Union Station Foundation is the services provider. This project was previously approved by City Council in March 2011.
- **Villa-Parke Homes Rehabilitation Project:** Rehabilitation of 9 affordable rental units at 422 & 488 N. Raymond Ave. and 557 N. Los Robles Ave. Developed in 1989 with City assistance. Project is owned/managed by Abode Communities.
- **LANHS Single-Family Homes Rehab Program:** Financial assistance, in the form of loans, of up to \$25,000 for approximately 9 Pasadena low-income homeowners to make code-required repairs. Program to be operated by non-profit Neighborhood Housing Services of Los Angeles County. This is a new program.
- **Security Deposit Grant Program:** Provision of security deposit grants to assist VASH and Project HOUSED clients. This is a new program.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE PASADENA CITY COUNCIL AUTHORIZING THE SUBMITTAL OF A SUBSTANTIAL AMENDMENT TO THE ANNUAL ACTION PLANS FOR PROGRAM YEARS 2006 THROUGH 2011 TO ALLOW THE CITY OF PASADENA TO REALLOCATE \$2,445,673 IN HOME INVESTMENT PARTNERSHIP ACT FUNDS FROM THE U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT FOR THE CITY'S FISCAL YEAR 2013, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE 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 Substantial Amendment to the Annual Action Plans for HUD Program Years 2006 through 2011 for the reallocation of Home Investment Partnership Act Funds in the amount of \$2,445,673 (the "Substantial Amendment") for the City's Fiscal Year 2013; and 2) authorizing the City Manger to execute the 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 Substantial Amendment are hereby approved and the City Manager is hereby authorized and directed to submit the Substantial Amendment to HUD, together with any and all other documents, assurances and certificates as are lawful and necessary to complete the City's reallocation of Home Investment Partnership Act ("HOME") Program funds in the amount of \$2,445,673 for the City's Fiscal Year 2013 and to secure the obtainment thereof under the HOME Program.

2. The City Clerk is hereby authorized and directed for and on behalf of the City 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 reallocation of funds, to secure the obtainment thereof under the HOME Program.

3. That the reallocation of the HOME Program funds for the activities described in the Substantial Amendment and the agenda report presented to the City Council at the meeting at which this resolution was adopted, is hereby approved by the City Council.

Adopted at the regular meeting of the Pasadena City Council on the 16<sup>th</sup> day of July 2012, by the following vote:

AYES:

NOES:

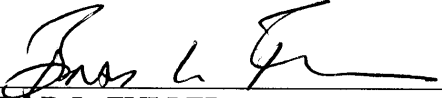
ABSENT:

ABSTAIN:

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MARK JOMSKY, CMC  
CITY CLERK

APPROVED AS TO FORM:

  
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BRAD L. FULLER  
ASSISTANT CITY ATTORNEY