



Agenda Report

September 18, 2017

TO: Honorable Mayor and City Council

FROM: Housing & Career Services Department

SUBJECT: PUBLIC HEARING: DRAFT CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (2016-2017 PROGRAM YEAR) FOR PROJECTS FUNDED FROM COMMUNITY DEVELOPMENT BLOCK GRANT, EMERGENCY SOLUTIONS GRANT, AND HOME INVESTMENT PARTNERSHIP ACT

RECOMMENDATION:

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

- 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); and
- 2) Approve the submission to the U.S. Department of Housing and Urban Development, of the Consolidated Annual Performance and Evaluation Report for the 2016-2017 Program Year for projects funded under the Community Development Block Grant, Emergency Solutions Grant, and the HOME Investment Partnership Act programs.

BACKGROUND:

The City of Pasadena receives Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME) and Emergency Solutions Grant (ESG) entitlement funds from the U.S. Department of Housing and Urban Development ("HUD") on an annual basis. As a recipient of these funds the City is required to prepare and submit to HUD a Consolidated Annual Performance and Evaluation Report ("CAPER") detailing the City's accomplishments toward achieving the Five-Year Consolidated Plan goals. The CAPER for the 2016-2017 Program Year (the second program year of the 2015-2019 Five-Year Consolidated Plan) contains performance assessments for 24 projects and programs supported with CDBG, ESG and HOME funds. Project and program goals and accomplishments are summarized in Attachment A. The total amount of funds covered by the CAPER is \$3,563,151.

Jurisdictions receiving CDBG, ESG and HOME funds are required to make a draft CAPER available for a minimum fifteen (15) days public review/comment period prior to its submission to HUD. The public review/comment period for the 2016-2017 CAPER was August 31, 2017 to September 18, 2017. As part of the public review/comment requirement a public notice was published in the Pasadena Journal. Copies of the draft CAPER were made available for public review at the Housing & Career Services Department's website, community centers, and all library locations throughout the City. Staff will report on any comments received at the time of the Public Hearing.

The Housing & Career Services Department performs the oversight and program administration for the funding received under the CDBG, ESG and HOME programs. An annual monitoring assessment (fiscal and programmatic) is conducted on each CDBG funded project. The monitoring review is performed in accordance with the provisions set forth in the Code of Federal Regulations which require the City, as a grantee, to make annual determinations that all sub-recipients are in compliance with the federal statutes and have the continuing capacity to administer and/or implement the project for which federal assistance has been provided. As part of the ongoing program administration, each sub-recipient is also required to provide quarterly performance reports. The results of these performance assessments are contained in the CAPER.

SUMMARY OF PRORAM ACCOMPLISHMENTS IN YEAR 2:

During the 2016-2017 Program Year, 13 service projects were assisted with CDBG and ESG funds, serving over 700 unduplicated persons. These projects provided programming that addresses employment services, education, food and nutrition, healthcare, homelessness, and general social services. With CDBG non-public service funds, five projects were completed including public facility improvements, infrastructure improvements, and single-family rehabilitation. CDBG public facility improvement projects funded by the City have over achieved their specified goals and objectives for Program Year 2016-2017.

Under the HOME program, the Decker Court nine (9)-unit affordable homeownership project was being restructured during Program Year 2016-2017 as two projects -- Decker Court and Gill Court -- to provide a total of 16 affordable for-sale units. These units, when completed, will be credited towards the current 2015-2019 Five-Year Consolidated Plan goals. In addition, the following projects, that were HOME-funded in the previous 2010-2014 Five-Year Consolidated Plan, were completed during Program Year 2016-2017: 1) Heritage Square senior apartments (69 affordable units); 2) The Groves (formerly Northwest Manors II) apartment complexes (44 affordable units); 3) Marv's Place permanent supportive housing project (19 affordable units); and 4) one (1) owner-occupied unit under the Neighborhood Housing Service of Los Angeles County Single-Family Rehabilitation Loan Program.

PROGRESS TOWARDS 5 YEAR GOALS:

As shown in Attachment A, the City is on track to meeting its 5-year goals for activities including: owner-occupied housing rehabilitation, homeless prevention, and public facility improvements. The CAPER only includes goal accomplishments for projects that have been completed during the reporting period of July 1, 2016 – June 30, 2017. The 5-year 2015-2019 Consolidated Plan will be amended to modify any goals that are not on track.

Regarding CDBG, projects are in progress for business façade and infrastructure improvements but were not completed during the reporting period. Accomplishment goals for public service activities were based on the historical results, however compliance audits of sub-recipients have revealed inaccurate calculations from the past. As a result of the correction, accomplishments have been adversely affected. The City set a goal of creating or retaining 10 permanent jobs, however, to date no project proposals have been submitted to achieve this goal. Staff will be working to identify job creating projects for the remaining three (3) Plan years.

ESG goals are based on services provided to the homeless. Rapid re-housing goals are tracking lower due to staff vacancies at the sub-recipient level during Year 1. Those vacancies have since been filled, bringing annual goals back on track moving forward. Additionally, overnight shelter activity has been adversely affected by the weather as more county-wide facilities were open during the reporting period. As a result, homeless clients had more options to choose from. Demand is expected to decrease as additional shelters are built by the County.

HOME goals for rental housing rehabilitation were based on three funded projects: Community Arms, The Groves, and Centennial Place. The Groves project was completed during the reporting period. The Community Arms project did not move forward due to owner declining City HOME funds. The Centennial Place project is expected to be completed during Year 4. Over the remaining three (3) Plan years, staff will seek to identify and fund as many rental rehab projects as feasible.

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 proposed action 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 proposed activity, City approval and submission of the 2016-2017 CAPER to HUD, will not have a significant impact on the environment and, therefore, is not subject to CEQA.

FISCAL IMPACT:

There is no fiscal impact as a result of this action and the action will not have any indirect or direct support cost requirements. Compliance with the federal requirement that the CAPER be submitted is necessary in order for the City to continue receiving CDBG, ESG, and HOME federal entitlement funds, which totaled approximately \$2.4 million in the 2016-17 program year.

Respectfully submitted,



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Approved by:



STEVE MERMELL
City Manager

Attachments (2):

Attachment A – Five-Year (2015-2019) Consolidated Plan Goals
Attachment B – Draft PY2016 Consolidated Annual Performance & Evaluation Report