



Agenda Report

September 24, 2018

TO: Honorable Mayor and City Council

FROM: Housing Department

SUBJECT: PUBLIC HEARING: DRAFT CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (2017-2018 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 2017-2018 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 2017-2018 Program Year (the third program year of the 2015-2019 Five-Year Consolidated Plan) contains performance assessments for 28 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 \$4,293,738.

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 2017-2018 CAPER was September 6, 2018 to September 24, 2018. 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 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 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 PROGRAM ACCOMPLISHMENTS IN YEAR 3:

During the 2017-2018 Program Year, 13 service projects were assisted with CDBG and ESG funds, serving over 915 unduplicated persons. These projects provided programming that addresses employment services, education, food and nutrition, healthcare, homelessness, and general social services. Through CDBG non-public service funds, ten projects were completed including public facility improvements, infrastructure improvements, and single-family rehabilitation. CDBG public facility improvement projects funded by the City have exceeded their specified goals and objectives for Program Year 2017-2018.

Under the HOME program, funding was allocated by substantial amendments of the FY 2018 Annual Action Plan for the following projects: a) Decker Court (development of 9 low income homeownership units) - \$942,371; b) Gill Court (development of 7 low income homeownership units) - \$1,840,611; c) Centennial Place (second rehab phase of 144-unit permanent supportive housing project) - \$314,200; and d) Villa Los Robles (rehabilitation of an 8-unit affordable apartment project for families) - \$399,179. These projects are scheduled to commence funded activities this year.

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, 2017 – June 30, 2018. The 5-year 2015-2019 Consolidated Plan will be amended to modify any goals that are not on track.

Regarding CDBG, progress has been made towards business façade and infrastructure improvements. Accomplishment goals for public service activities were based on the historical results, however sub-recipients have transitioned to refined data collection methods to avoid duplication of accomplishments which lowered the number of accomplishments reported. To help achieve the five year goals, staff has revised the public service request for proposal to identify projects with higher accomplishments counts. The City set a goal of creating or retaining 10 permanent jobs, however due to reduced available funding and lack of applications for this type of project this goal will be removed from the 5-year plan through an amendment. Permanent jobs are being created through the MASH program which are not counted because it is classified as a CDBG housing rehab program rather than a job creation program.

ESG goals are based on services provided to individuals and families experiencing homelessness. Rapid rehousing goals are tracking low as a result of serving only families. Rapid rehousing in the coming year will be administered by a different agency which will serve both individuals and families and help to bring annual goals back on track. Street outreach numbers are not an accurate representation of the number of people served by these funds. The coordinated entry system (CES) outreach component engages with a high volume of clients but only those who complete a lengthy assessment are considered to be served by project. Finally, the ESG-funded emergency shelter is open on a weather-activated basis. Service goals are not met unless the weather demands that the shelter open enough nights.

The five-year HOME goal of 317 units for rental housing rehabilitation was based on three projects: Community Arms (131 units), The Groves (42 units), and Centennial Place (144 units). The Community Arms project did not move forward when the owner declined the City HOME funds in Year 2 therefore the HOME goal will be amended. The Groves was completed in Year 2. The second phase of the Centennial Place project is expected to be completed in Year 4 as is the Villa Los Robles rehabilitation project (8 units).

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 2017-2018 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 annual CDBG, ESG, and HOME federal entitlement funds, which totaled approximately \$2.4 million in the 2017-18 program year.

Respectfully submitted,



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Program Coordinator

Approved by:



STEVE MERMELL
City Manager

Attachments (2):

Attachment A – Five-Year (2015-2019) Consolidated Plan Goals
Attachment B – Draft PY2017 Consolidated Annual Performance & Evaluation Report