



Agenda Report

October 28, 2019

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: HOUSING DEPARTMENT
SUBJECT: PUBLIC HEARING: SUBSTANTIAL AMENDMENT TO 2015-2019
(5-YEAR) CONSOLIDATED PLAN

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 (HUD) of Substantial Amendment to the 5-Year (2015-2019) Consolidated Plan.

BACKGROUND:

As a recipient of federal housing and community development funds from the U.S. Department of Housing and Urban Development (HUD), the City is required to prepare and submit to HUD a 5-Year Consolidated Plan (the "Con Plan"). The Con Plan is a comprehensive planning document that identifies overall needs for affordable housing, homeless services, community development, and economic development. The Con Plan also identifies accomplishment goals to be achieved in order to meet those needs. Additionally, the Con Plan, in conjunction with the Annual Action Plan, serves as an application for the following federal entitlement fund allocations: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Shelter Grant (ESG). The 5-Year Consolidated Plan (2015-2019) was approved by City Council on July 13, 2015.

In addition, 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 Con Plan five-year goals. At its regular meeting of September 23, 2019, the City Council approved the staff recommendation for submittal to HUD of the

CAPER for 2018-2019 (Year 4). As staff indicated at that meeting, the Year 4 CAPER report includes a number goals that were set in 2015 for the Con Plan which need to be adjusted, eliminated or added. The purpose of the subject staff recommendation is to modify such goals in the 2015-2019 Con Plan accordingly through a Substantial Amendment process as required by HUD.

The public review/comment period for the Substantial Amendment to the Con Plan was September 19, 2019 to October 24, 2019. As part of the public review/comment requirement a public notice was published in the Pasadena Journal. Staff will report on any comments received at the time of the Public Hearing.

MODIFICATIONS TO 2015-2019 GOALS:

The proposed Substantial Amendment to the 2015-2019 Con Plan consists of modifications to a number of goals in connection with programs that are supported with HOME, CDBG and ESG funding.

The Housing Constructed and Rental Housing goals are proposed to be modified under the HOME program. Presently, the Decker Court and Gill Court homeownership projects, which comprise 15 HOME-assisted low income units, are under construction and scheduled to be completed in FY 2020. These 15 units would comprise the modified Housing Constructed five-year goal. The original five-year goal for Rental Housing of 317 units was based on the total number of units in three rehabilitation projects: Community Arms (131 units), The Groves (42 units), and Centennial Place (144 units). However, the Community Arms project did not move forward when the owner declined the City HOME funds in Year 2; therefore this project will be removed from the five-year goal. The Groves project was completed in Year 2 and the second phase of the Centennial Place project is expected to be completed by the end of Year 5. In addition, the Villa Los Robles rehabilitation project funded in Year 4 will be completed in November 2019. While these three projects total 194 affordable units, only 19 units can be credited as HOME-assisted and reportable in the Con Plan per HUD requirements. The number of HOME-assisted units in a project is a proportion of the total units based on the percentage of the HOME funding. Therefore, the Rental Housing goal will be reduced accordingly.

Regarding CDBG, significant achievement has been made towards public facility 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. The housing rehabilitation program had challenges regarding compliance with new HUD interpretations for lead testing, which resulted suspension of the project to allow for new forms and procedures to be implemented. Since then, the program has hired new staff to continue efforts towards rehabbing owner-occupied housing. The City set a goal of creating or retaining 10 permanent jobs, however due to lack of applications for job creating projects this goal will be removed from the Con Plan. Permanent jobs are being created through the MASH program but are not captured because it is classified as a CDBG housing rehab program rather than a job creation program. A new program to assist small businesses

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has provided unexpected accomplishments for microenterprises. As a result, a new goal of 60 assisted businesses will be added to the 5-year Con Plan goals.

Three goals related to ESG funding will be amended. Tenant-based rental assistance in rapid rehousing programs was originally projected to serve 200 households over five years. However, the Department contracted with two new rapid rehousing providers in FY 2019. These agencies experienced normal delays related to ramping up new programs including hiring and training, which slowed progress toward the five year goal. Additionally, these new providers are offering assistance for a longer period of time than the former provider, which also impacts the number of households that can be served. As a result, the goal will be amended to 130 households. The five year goal for the number of homeless persons assisted in overnight shelter was originally set at 2,950. This estimate was based on the seasonal Bad Weather Shelter being open nightly during cold months as a hypothermia prevention program. However, the Bad Weather Shelter shifted its operations to weather-activated only in the second year of the Consolidated Plan. As a result, fewer persons are served but the goal of preventing hypothermia is unaffected. This goal will be reduced to 1,650 persons assisted. The homelessness prevention goal was originally set at 100 persons assisted and will be increased to 280 persons as the Department has already surpassed the initial goal.

As a result of success and some challenges, the 2015-2019 Consolidated Plan needs to be modified to reflect more precise goals based on actual conditions, and to reflect the HOME unit count methodology as required by HUD. These modifications below comprise the Substantial Amendment to the Consolidated Plan:

Program Objective	Current 5-Year Goals	Amended 5-Year Goals
Housing Rehabilitation	100 Housing Units	75 Housing Units
Housing Constructed	24 Housing Units	15 Housing Units
Rental Housing	317 Housing Units	19 Housing Units
Increase Jobs to Low-Income Persons	10 Jobs	0 Jobs (Remove Goal)
Public Facility Improvements	125,000 Persons Assisted	200,000 Persons Assisted
Public Services	6,500 Persons Assisted	2,500 Persons Assisted
Tenant-Based Rental Assistance Rapid Re-housing	200 Household Assisted	130 Households Assisted
Homeless Person Overnight Shelter	2,950 Persons Assisted	1,650 Persons Assisted
Homelessness Prevention	100 Persons Assisted	280 Persons Assisted
Microenterprise Assistance	0 Microenterprises	60 Microenterprises

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.

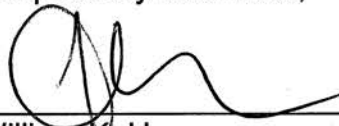
ENVIRONMENTAL ANALYSIS:

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 Con Plan Amendment submission 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.

Respectfully submitted,


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Approved by:


STEVE MERMELL
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