

Agenda Report

December 14, 2020

TO: Honorable Mayor and City Council

FROM: Housing Department

SUBJECT: PUBLIC HEARING: DRAFT CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (2019-2020 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), the "General Rule" that CEQA only applies to projects that may have a significant effect on the environment; 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 2019-2020 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 2019-2020 Program Year (the final program year of the 2015-2019 Five-Year Consolidated Plan) contains performance assessments for 22 projects and programs supported with CDBG, ESG and HOME funds. Project and program goals and accomplishments are summarized in Attachment A.

Due to the current Public Health Emergency HUD allows a minimum five (5) calendar day public review period. The public hearing notice and 2019-2020 CAPER (draft) were posted to the Housing Department website on December 7, 2020 commencing the public review/comment period. The notice was also published in the Pasadena Journal on December 10, 2020. 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 5:

During the 2019-2020 Program Year, nine (9) service projects were assisted with CDBG and ESG funds, serving over 504 unduplicated persons. These projects provided programming that addresses education, after-school programming, homelessness, and general social services. Through CDBG non-public service funds, four (4) projects were completed including public facility & infrastructure improvements (public wifi at Robinson Park, sidewalks), economic development, and single-family rehabilitation.

Under the HOME program during Program Year 2019-2020, sixteen (16) eligible and qualified low-income buyers for the Decker Court and Gill Court homeownership projects were approved and construction on the projects were completed in August 2020. One (1) homeowner rehabilitation project was completed and another is currently in progress, to be completed in Program Year 2020-2021. Evaluation continued on the potential placement of HOME and CHDO funds for the rehabilitation of a rental project to house persons with developmental disabilities.

PROGRESS TOWARDS 5 YEAR GOALS:

The CAPER only includes goal accomplishments for projects that have been completed during the reporting period of July 1, 2019 – June 30, 2020. As shown in Attachment A, the City has met all of its 5-year goals by 90% or more, with the exception of the 80% goal achievement for business façade improvements.

Regarding CDBG, great progress has been made towards infrastructure and public facility improvements. Annual accomplishment goals for public services, business

façade improvements, and housing rehabilitation were impacted by the coronavirus health pandemic. Service providers have since adjusted to the social distancing requirements to continue program implementation.

ESG goals are based on services provided to individuals and families experiencing homelessness. Rapid rehousing goals are tracking low as a result of one agency canceling its ESG-funded program as a result of receiving other, more flexible funding for the same activity from a different source. Additionally, ESG regulations limit contract rents supported by rapid rehousing rental assistance to Fair Market Rent (FMR) standards, which are established by HUD. In Pasadena and the surrounding region, FMR is below market rate rents which presents a significant barrier to program participants looking for available apartments. Street outreach and homelessness prevention exceed projected goals. Finally, the ESG-funded emergency shelter is supposed to be open on a weather-activated basis, and was operational until March 2020. Challenges with COVID, staffing and locations have prevented the shelter from opening. Service goals are not met unless the shelter is open enough nights.

HOME five-year goals were met consisting of 16 units for homebuyer assistance and 19 units for rental housing rehabilitation.

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:

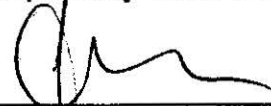
The proposed action is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "General Rule" provision of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be 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 2019-2020 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 \$2.9 million in the 2019-20 program year.

Respectfully submitted,



for William K. Huang
Housing Director

Prepared by:



Randy Mabson
Program Coordinator

Approved by:



STEVE MERMELL
City Manager

Attachments (2):

- Attachment A – Five-Year (2015-2019) Consolidated Plan Goals
- Attachment B – Draft PY2019 Consolidated Annual Performance & Evaluation Report