

# Agenda Report

May 4, 2020

**TO:** Honorable Mayor and City Council

**FROM:** Housing Department

**SUBJECT: PUBLIC HEARING: SUBSTANTIAL AMENDMENT TO 5-YEAR CONSOLIDATED PLAN (2015-2019) AND ANNUAL ACTION PLAN (2019-2020)**

## **RECOMMENDATION:**

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

- 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 an effect on the environment;
- 2) Approve the submission to the U.S. Department of Housing and Urban Development (HUD) of a Substantial Amendment to the Annual Action Plan (2019-2020) as described in the report to reprogramming of \$101,949 in Emergency Solutions Grant (ESG), and \$3,882,982 in HOME Investment Partnership Act (HOME) programs,);
- 3) Approve the submittal of a grant application for Community Development Block Grant (CDBG) Program Year 2019-2020 entitlement funds in the amount of \$1,232,562;
- 4) Approve the submittal of a grant application for Emergency Solutions Grant (ESG) Program Year 2019-2020 entitlement funds in the amount of \$608,269; and
- 5) Authorize the City Manager to execute, and the City Clerk to attest, the grant applications, certifications, and any and all other documents deemed necessary by HUD to obtain the allocation of the aforementioned federal entitlement funds.

**BACKGROUND:**

The Annual Action Plan sets forth the projected uses of federal entitlement funds, including CDBG, HOME, and ESG program funds for the coming program year. The Plan addresses the efforts made toward accomplishing the goals and objectives included in the City's Five-Year Consolidated Plan (2015-2019). On May 20, 2019, the City Council convened a public hearing approving the submission of the Annual Action Plan (2019-2020) as an application to the U.S. Department of Housing and Urban Development (HUD). The modifications described below require that the Annual Action Plan be amended in accordance with HUD regulations by a "Substantial Amendment" (as that term is used in the Citizen Participation Plan).

The Substantial Amendment to the 2019-2020 Annual Action Plan will enable the City of Pasadena to receive and administer \$1,232,562 in CDBG and \$608,269 in ESG funding from the U.S. Department of Housing and Urban Development (HUD) made available through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Substantial Amendment also proposes funding modifications to the ESG, CDBG and HOME entitlement programs. Lastly, as part of this Substantial Amendment, the Consolidated Plan's Citizen Participation Plan will be revised to include a new Substantial Emergency Amendment procedures, and the creation of new accomplishment goals.

The subject Substantial Amendment was issued for public review from April 27, 2020 to May 5, 2020 in a published notice of the scheduled public hearing to amend the 5-Year (2015-2019) Consolidated Plan and 2019-2020 Annual Action Plan. Staff will present or deliver to the Council any public comments received prior to the Council meeting.

**Annual Action Plan Funding Modifications**

**CARES Act Funds:**

Funds will be used to prevent the spread of coronavirus virus 19 (COVID-19) and facilitate assistance to eligible communities, households, and persons economically impacted by COVID-19. CDBG funding in the amount of \$1,107,562 will be used towards subsistence payments for low to moderate income households that have been affected by COVID-19, and \$125,000 for program administration. ESG funding in the amount of \$547,469 will be used to support a non-congregate shelter program for asymptomatic, high-risk individuals experiencing homelessness, and \$60,800 for program administration.

**ESG:**

Funding in the amount of \$101,949 will be reprogrammed to support existing programs operated by sub-recipients. These funding amounts are equivalent to the amount of unexpended funding in each program at the close of Fiscal Year 2019. Reprogramming these funds will serve to "roll over" any unexpended funds from Fiscal Year 2019 by increasing the amount available to these sub-recipients for use in Fiscal Year 2020.

Substantial Amendment to Annual Action Plan

May 4, 2020

Page 3 of 6

Funding in the amount of \$519 will be added to ESG Administration to be utilized by City staff in order to fully utilize the 7.5% of the City’s annual ESG allocation available for administrative costs.

**HOME:**

The construction of the Decker Court and Gill Court affordable homeownership projects developed by Heritage Housing partners are nearing completion. The HOME financing totaling \$3,882,982 that the City provided to assist the development of the projects will be repaid and reallocated as homebuyer assistance loans for 16 low income families.

**CDBG:**

On December 9, 2019, Council approved a security enhancement project which included the Hasting Ranch and Santa Catalina libraries. The public facilities were qualified as eligible locations, however an update to HUD’s mapping data removed that qualification. As a result, these two project locations will be cancelled.

Staff is recommending the following project funding modifications:

<b>Description</b>	<b>Implementing Agency</b>	<b>Location</b>	<b>Action</b>	<b>Funding Source</b>
<b><u>CDBG-CV Administration</u></b> Administration of the CDBG-CV funds provided by the CARES Act.	Housing Department – City of Pasadena	649 N. Fair Oaks Blvd. #202	New Allocation \$125,000	CDBG-CV
<b><u>Emergency Subsistence Payment</u></b> Rental payments for low- moderate income households related to COVID-19.	Housing Department – City of Pasadena	649 N. Fair Oaks Blvd. #202	New Allocation \$1,107,562	CDBG-CV
<b><u>ESG-CV Administration</u></b> Administration of the ESG-CV funds provided by the CARES Act.	Housing Department – City of Pasadena	649 N. Fair Oaks Blvd. #202	New Allocation \$60,800	ESG-CV
<b><u>Non-Congregate Shelter for COVID-19 Response</u></b> Non-congregate shelter program for asymptomatic, high-risk people experiencing homelessness to prevent the spread of COVID-19	Housing Department – City of Pasadena	649 N. Fair Oaks Blvd. #202	New Allocation \$547,469	ESG-CV
<b><u>Rapid Re-Housing</u></b> Case management and short term assistance to homeless households	Foothill Unity Center, Inc.	191 N. Oak Ave.	Funding Increase \$6,600	ESG

<b><u>ESG Administration</u></b> ESG funds will be used for personnel, non-personnel, and direct administrative costs.	Housing Department – City of Pasadena	649 N. Fair Oaks Blvd. #202	Funding Increase \$519	ESG
<b><u>Rapid Re-Housing</u></b> Case management and short term assistance to homeless TAY households	Hathaway-Sycamores Child and Family Services	851 N. Oakland Ave.	Funding Increase \$59,955	ESG
<b><u>TAY Emergency Shelter</u></b> Case management and short term emergency shelter assistance to homeless TAY households	Hathaway-Sycamores Child and Family Services	851 N. Oakland Ave.	Funding Increase \$31,408	ESG
<b><u>Mobile Integrated Service Team</u></b> Engagement, case management, transportation	Housing Works	1277 Wilcox Ave. Los Angeles, CA 90038	Funding Increase \$3,467	ESG
<b><u>Homebuyer Loan Assistance</u></b> Purchase of units at the HHP Decker Court and Gill Court projects by low income families	Housing Department – City of Pasadena	649 N. Fair Oaks Blvd. #202	Reallocation \$3,882,982	HOME
<b><u>Security Enhancements at Hastings Ranch Library</u></b> Installation of video surveillance	Department of Information Technology – City of Pasadena	3325 E. Orange Grove Blvd.	Project Cancellation (\$64,666)	CDBG
<b><u>Security Enhancements at Santa Catalina Branch Library</u></b> Installation of video surveillance	Department of Information Technology – City of Pasadena	999 E. Washington Blvd.	Project Cancellation (\$68,056)	CDBG

**5-Year Consolidated Plan Substantial Amendment**

**Citizen Participation Plan:**

Sets forth the policies and procedures for citizen participation in the City’s Consolidated Planning Process. In summary, the revised Citizen Participation Plan (see Attachment A) includes the following changes:

- Virtual hearings as an allowed method of citizen participation; and
- Defines a Substantial Emergency Amendment

**Update Accomplishment Goal**

The 5-Year Plan contains community development goals that the City will achieve during the reporting period. The amendment will change the housing constructed goal to homebuyer assistance goal of 16 units.

Description	Implementing Agency	Location	Action
<p><b><u>5-Year Plan</u></b>  <b><u>Citizen Participation Plan</u></b>                      Explains how residents participate in the entitlement planning process.</p>	City of Pasadena	100 N. Garfield Ave.	Adding emergency policy and procedures
<p><b><u>5-Year Plan</u></b>  <b><u>Accomplishment Goals</u></b>                      Identifies goals to be achieved from addressing community needs.</p>	City of Pasadena	100 N. Garfield Ave.	Change Housing Constructed to Homebuyer Assistance Goal of 16 Units

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein 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 approval of the subject Substantial Amendment to the Annual Action Plan is a funding mechanism only and is excluded from the definition of "project" pursuant to State CEQA Guidelines Section 15378(b)(4). Furthermore, the action proposed herein will not have a significant effect on the environment and, hence, is not subject to CEQA.

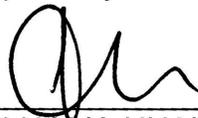
**COUNCIL POLICY CONSIDERATION:**

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.

**FISCAL IMPACT:**

The recommended actions will have no direct fiscal impact. Approval of the Annual Action Plan (2019-2020) by the City Council and subsequent approval by HUD will result in a total allocation of \$1,840,831 in entitlement funds to support housing, community development, and homeless prevention activities. These federal funds will be included as revenue in the FY 2020 operating budget of the Housing Department. Approval also enables the City to be eligible for other federally funded programs requiring consistency with an adopted Five-Year Consolidated Plan and Annual Action Plan.

Respectfully submitted,

  
for \_\_\_\_\_  
WILLIAM K. HUANG  
Housing Director

Prepared by:

  
\_\_\_\_\_  
RANDY MABSON  
Program Coordinator

Approved by:

  
\_\_\_\_\_  
STEVE MERMELL  
City Manager