

Agenda Report

December 13, 2021

TO: Honorable Mayor and City Council

FROM: Housing Department

SUBJECT: PUBLIC HEARING: SUBSTANTIAL AMENDMENT TO 2021-2022 ANNUAL ACTION 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), the "common sense" provision 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 (2021-2022) as described in the report for the reprogramming of \$1,592,113 in Community Development Block Grant (CDBG), and \$510,836 in Community Development Block Grant CV Round 3 (CDBG-CV3) entitlement funds;
- 3) Approve the submittal of a grant application for HOME Investment Partnership Act American Rescue Plan Act (HOME-ARP) Program Year 2021-2022 entitlement funds in the amount of \$3,042,435; and
- 4) 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 Community Development Block Grant ("CDBG"), HOME Investment Partnership Act ("HOME"), and Emergency Solutions Grant ("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 (2020-2024). On June 7, 2021, the City Council convened a public hearing approving the submission of the Annual Action Plan (2021-2022) 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 2021-2022 Annual Action Plan will enable the City to reallocate \$1,592,113 in unspent CDBG funds from the previous program year, and \$510,836 in unspent Coronavirus Aid, Relief, and Economic Security Act (CARES) Round 3 funds ("CDBG-CV3").

In addition, the Substantial Amendment will also allow the City to receive and administer \$3,042,435 in HOME funds made available through the American Rescue Plan Act of 2021 (HOME-ARP). Funds are restricted to activities that provide housing, services, and shelter to individuals experiencing homelessness and other vulnerable populations. The subject Substantial Amendment was issued for public review from November 18, 2021 to December 13, 2021 in a published notice of the scheduled public hearing to amend the 2021-2022 Annual Action Plan. Staff will present or deliver to the Council any public comments received prior to the Council meeting.

RECOMMENDED USES OF HOME-APR AND CDBG-CV3 FUNDS:

It is possible that tenant evictions will ensue once the City's emergency COVID-19 eviction moratorium is lifted. While it is unknown how many Pasadena tenant households will be subject to eviction, assistance will need to be available for those impacted. The State's emergency rental assistance program, "Housing Is Key", is expected to expend all of its funds by spring 2022. To curb any potential increase in evictions, and to mitigate the financial hardship of tenants who face eviction, staff recommends implementing a tenant-based rental assistance eviction prevention (TBRA-EP) program utilizing HOME-ARP and CDBG-CV3 funds. On August 16, 2021, City Council allocated \$150,000 from ARPA towards eviction prevention legal services to safeguard the rights of Pasadena renters who may face eviction once the moratorium is lifted. Additional support is needed to provide medium-term rental assistance to pay any back rent owed and supplement future rent. Through the proposed TBRA-EP program, tenants who are in jeopardy of eviction can receive assistance in negotiating with landlords, eviction prevention legal services, payment of any back rent owed, and medium-term rental assistance for up to 24-months.

The table below provides a summary of the Substantial Amendment allocations for CDBG, CDBG-CV3 and HOME-ARP.

Description	Implementing Agency	Location	Action
<p><u>HOME-ARP Administration</u> Administration of the HOME-ARP funds provided by the ARP Act.</p>	<p>Housing Department – City of Pasadena</p>	<p>649 N. Fair Oaks Blvd. #202</p>	<p>New Allocation \$456,365 (HOME-ARP)</p>
<p><u>Tenant-Based Rental Assistance Eviction Prevention</u> Provide short-term rental assistance up to 24 months for tenants at risk of homelessness.</p>	<p>Housing Department – City of Pasadena</p>	<p>649 N. Fair Oaks Blvd. #202</p>	<p>New Allocation \$2,586,070 (HOME-ARP)</p>
<p><u>Emergency Rental Assistance</u> Emergency rental assistance to pay back rent and/or future rent up to 6-months for TBRA participants currently in eviction process.</p>	<p>Housing Department – City of Pasadena</p>	<p>649 N. Fair Oaks Blvd. #202</p>	<p>Re-Allocation \$510,836 (CDBG-CV3)</p>
<p><u>Alkebu-Lan Cultural Center</u> Rehabilitation of City-owned neighborhood facility, including roof restoration, new flooring, and ADA bathrooms.</p>	<p>Public Works – City of Pasadena</p>	<p>1435 N Raymond Ave.</p>	<p>Re-Allocation \$380,000 (CDBG)</p>
<p><u>Security Enhancements</u> Public safety enhancements including the installation of security cameras.</p>	<p>Department of Information Technology – City of Pasadena</p>	<p>- Jackie Robinson CC - La Pintesca Park - Villa Parke - Robinson Park</p>	<p>Re-Allocation \$812,113 (CDBG)</p>
<p><u>Robinson Park Recreation Center (Pool Renovation)</u> Demolition/rebuild of an existing pool, and renovation of pool building.</p>	<p>Public Works – City of Pasadena</p>	<p>1081 N. Fair Oaks Ave, Pasadena, CA 91103</p>	<p>Re-Allocation \$400,000 (CDBG)</p>

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.

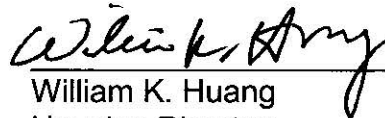
ENVIRONMENTAL ANALYSIS:

The proposed action is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "common sense" 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.

FISCAL IMPACT:

The City's submission of the Substantial Amendment to the Annual Action Plan (2021-2022) and funding application, as recommended, and subsequent approval by HUD, will result in a total allocation of \$3,042,435 in HOME-ARP entitlement funds to support housing, community development, and homeless prevention activities. If the City's application is awarded, staff will return to Council with a recommendation to amend the Housing Department's FY 2022 operating budget accordingly.

Respectfully submitted,



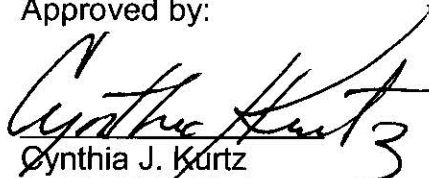
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