

# Agenda Report

June 7, 2020

**TO:** Honorable Mayor and City Council

**FROM:** Housing Department

**SUBJECT: PUBLIC HEARING: APPROVAL OF THE ANNUAL ACTION PLAN (2021-2022) AND RELATED FUNDING APPLICATIONS FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP ACT, AND EMERGENCY SOLUTIONS GRANT PROGRAMS**

## **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);
- 2) Approve the Annual Action Plan, including the funding allocations set forth therein for Program Year 2021-2022 program activities under the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnerships (HOME) programs, for submittal to the U.S. Department of Housing and Urban Development (HUD);
- 3) Approve the submittal of a grant application for CDBG Program Year 2021-2022 entitlement funds in the amount of \$2,145,795, \$556,505 in program income, and \$498,357 in unspent funds for a total availability of \$3,200,657 for program activities;
- 4) Approve the submittal of a grant application for ESG Program Year 2021-2022 entitlement funds in the amount of \$178,688 for program activities;
- 5) Approve the submittal of a grant application for HOME Program Year 2021-2022 entitlement funds in the amount of \$839,445, \$1,540,845 in program income, and \$169,571 in unspent funds for a total availability of \$2,549,861 for program activities; and

- 6) Authorize the City Manager to execute, and the City Clerk to attest, the Annual Action Plan (2021-2022), the grant applications, certifications, and any and all other documents deemed necessary by HUD to obtain the allocation of the aforementioned federal entitlement funds.

### **ADVISORY COMMISSION RECOMMENDATIONS**

On March 9, 2021, the Northwest Commission approved recommendations for City Council consideration for CDBG City Set-Aside projects listed in Attachment A.

On March 10, 2021, the Human Services Commission approved recommendations for City Council consideration for CDBG public service projects listed in Attachment A.

### **BACKGROUND:**

#### **Annual Action Plan (2021-2022):**

The Annual Action Plan for Program Year 2021-2022 (the "Plan") is a HUD-required document which sets forth the projected uses of CDBG, ESG and HOME funds for the coming program year, and addresses the available resources for program implementation, activities to be undertaken, program guidelines, and monitoring. The Plan addresses the efforts made toward accomplishing the goals and objectives included in the City's Five-Year Consolidated Plan (2020-2024). The Plan (Attachment B) was noticed in the Pasadena Star newspaper of its availability for public review and request for comment from May 6, 2021 through June 7, 2021, during which period no comments were received. Any public comments made at the Public Hearing on June 7, 2021, will be included in the Plan's final version.

#### **Funding Availability:**

Included in the City's submittal of the Plan to HUD is the submittal of grant applications for annual entitlement funding under the CDBG, ESG, and HOME programs. The available federal funding identified in the Plan consists of the proposed federal entitlement funds for 2021-2022, any unspent funds from previous program years, and anticipated program income. Annually, the City distributes these funds to address community needs through housing, homeless prevention, public services, infrastructure and public facility improvements, and for program administration. The table below summarizes anticipated federal funding availability for 2021-2022:

#### **Anticipated Funding Availability (2021-2022)**

Funding Source		Amount
1	CDBG (Annual Entitlement)	\$2,145,795
2	CDBG (Program Income)	\$556,505
3	CDBG (Previously Unspent)	\$498,357
4	Emergency Solutions Grant (ESG) (Annual Entitlement)	\$178,688
5	HOME (Annual Entitlement)	\$839,445
6	HOME (Program Income)	\$1,540,845
7	HOME (Previously Unspent)	\$169,571
Total		\$5,929,206

All total available funds to be allocated in 2021-2022 for proposed project/services/activities are identified in Attachment A.

**Annual Action Plan 2020-2021 (Year 5) Goals and Funding**

	<b>Year 2 Goals</b>	<b>Year 2 Funding</b>
<b>Housing</b>	<b>Owner-Occupied Housing Rehabilitated:</b> <b>12 Housing Units</b>  <b>New Construction Rental Housing:</b> <b>112 Housing Units</b>	<b>CDBG: \$350,000</b>  <b>HOME: \$3,400,000</b>
<b>Public Service</b>	<b>2,000 Persons Assisted</b>	<b>CDBG: \$317,334</b>
<b>Homelessness</b>	<b>Tenant-based Rental Assistance:</b> <b>12 Households Assisted</b>  <b>Homeless Shelters:</b> <b>399 Persons Assisted</b>  <b>Homelessness Prevention:</b> <b>30 Persons Assisted</b>	<b>ESG: \$178,688</b>
<b>Infrastructure Improvements</b>	<b>7,000 Persons Assisted</b>	<b>CDBG: \$500,000</b>
<b>Public Facility Improvements</b>	<b>2 Building Facility</b>	<b>CDBG: \$1,107,923</b>

\*Does not include administration funding

**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 action proposed herein 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 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 proposed action does not constitute a final funding commitment to any of the identified activities,

as the grant sub-recipients of the activities would be required to enter into contractual agreements. Pursuant to the terms of the contracts, appropriate environmental review of each funded activity will take place prior to commencement of any activity. Therefore, the action proposed herein will not have a significant effect on the environment and, hence, is not subject to CEQA.

**FISCAL IMPACT:**


The recommended actions will have no direct fiscal impact. Approval of the Plan by the City Council and subsequent approval by HUD will result in a total allocation of \$5,929,206 in CDBG, ESG and HOME funds to support housing, community development, and homeless prevention activities. These federal funds will be included as revenue in the proposed FY 2022 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,

  
Jim Wong (Jun 1, 2021 17:56 PDT)

**WILLIAM K. HUANG**  
Housing Director

Prepared by:

  
Randy Mabson (Jun 1, 2021 17:11 PDT)

**RANDY MABSON**  
CDBG Program Coordinator

Approved by:

  
**STEVE MERMELL**  
City Manager

Attachments: (2)

Attachment A – CDBG, ESG, and HOME 2021-22 Funding Recommendations

Attachment B - 2021-2022 Annual Action Plan