



Department of Housing

**PUBLIC HEARING: SUBSTANTIAL AMENDMENT  
TO ANNUAL ACTION PLAN FOR  
HOME INVESTMENT PARTNERSHIP FUNDS**

Housing Department

November 14, 2022





# Background

## Department of Housing

- The Annual Action Plan sets forth projected uses of federal entitlement funds, including Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME), and Emergency Solutions Grant (ESG).
- On June 13, 2022, City Council approved the submission of the Annual Action Plan (2022-2023) as an application to the U.S. Department of Housing and Urban Development (HUD).
- Modifications to the Annual Action Plan require a Substantial Amendment.



# Background

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## **2322 Foothill Renovation - \$1,000,000 (New Allocation)**

This HOME funded project will allocate funds to nonprofit developer Heritage Housing Partners (HHP) to rehabilitate six (6) housing units located in two multiunit apartment buildings located at 2322 E. Foothill to be utilized by transitional aged youth.

The project is subject to a Development Loan Agreement No. 23651 (the “DLA”) pursuant to which the City has committed \$2,000,000 in Inclusionary Housing loan funds. The additional proposed allocation of \$1M in HOME funds will be utilized to cover unanticipated project development cost increases totaling \$329,500 (including a fire sprinkler system), and to swap out \$670,500 in Inclusionary funds that have not yet been expended on the project.

Staff will return to Council at a later date with a recommendation to amend the DLA to reflect the funding increase.



# Background

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## **Ramona Senior Housing Project- \$416,073 (New Allocation)**

This HOME Community Housing Development Organization (CHDO) funded project will allocate funds to nonprofit developer National Community Renaissance of California (NCORE) for a new affordable senior housing construction project located at 280 Ramona Street. The project will consist of approximately 100 dwelling units, interior community space for residents, and a landscaped outdoor area for residents.

This CHDO funding allocation is in addition to the \$2.34M in HOME funds that are currently programmed for this project in the existing Annual Action Plan.

The total proposed HOME/CHDO funding in the amount of \$2,756,073 for this project is reflected in a separate agenda item this evening regarding the proposed Development and Lease Agreement with the developer.



# Fiscal Impact

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- The recommended actions will have no direct fiscal impact.
- Approval of the Annual Action Plan (2022-2023) amendment by the City Council and subsequent approval by HUD will result in a total allocation of \$1,416,073 in entitlement funds to support housing, community development, and homeless prevention activities.



# Recommendation

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1. Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3), the "common sense" provision that CEQA only applies to projects that have a significant 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 (2022-2023) as described in the report for the reprogramming of \$1,416,073 in HOME Investment Partnership (HOME) entitlement funds; and
3. 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.