

# Agenda Report

May 22, 2023

**TO:** Honorable Mayor and City Council

**FROM:** Housing Department

**SUBJECT: PUBLIC HEARING: APPROVAL OF THE ANNUAL ACTION PLAN (2023-2024) 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 2023-2024 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 2023-2024 entitlement funds in the amount of \$2,159,608, and \$60,150 in program income for a total availability of \$2,219,758 for program activities;
- 4) Approve the submittal of a grant application for ESG Program Year 2023-2024 entitlement funds in the amount of \$187,132 for program activities;
- 5) Approve the submittal of a grant application for HOME Program Year 2023-2024 entitlement funds in the amount of \$886,215, and \$61,378 in carryover funds for a total availability of \$947,593 for program activities;
- 6) Authorize the City Manager to execute, and the City Clerk to attest, the Annual Action Plan (2023-2024), the grant applications, certifications, and any and all

other documents deemed necessary by HUD to obtain the allocation of the aforementioned federal entitlement funds; and

- 7) Authorize City Manager or designee to execute administrative amendments (such as time extensions, policy revisions, cost category changes) reflected in the Citizen Participation Plan attached to the 5-Year Consolidated Plan (2020-24), as previously approved by City Council.

### **ADVISORY COMMISSION RECOMMENDATIONS**

On March 15, 2023, the Human Services Commission approved recommendations for City Council consideration for CDBG public service projects listed in Attachment A.

On April 11, 2023, the Northwest Commission approved recommendations for City Council consideration for CDBG City Set-Aside projects listed in Attachment A.

### **BACKGROUND:**

#### **Annual Action Plan (2023-2024):**

The Annual Action Plan for Program Year 2023-2024 (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 (attached hereto as Attachment B) addresses the efforts made toward accomplishing the goals and objectives in the fourth year of the City's Five-Year Consolidated Plan (2020-2024). The Plan was noticed in the Pasadena Star newspaper of its availability for public review and request for comment from April 20, 2023 through May 22, 2023, during which period no comments were received. Any public comments made at the Public Hearing on May 22, 2023, 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 2023-2024, 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 2023-2024:

**Anticipated Funding Availability (2023-2024)**

<b>Funding Source</b>		<b>Amount</b>
1	CDBG (Annual Entitlement)	\$2,219,758
2	CDBG (Program Income)	\$60,150
3	Emergency Solutions Grant (ESG) (Annual Entitlement)	\$187,132
4	HOME (Annual Entitlement)	\$886,215
5	HOME (Unspent Carryover)	\$61,378
<b>Total</b>		<b>\$3,354,483</b>

All total available funds to be allocated in 2023-2024 for proposed project/services/activities are identified in Attachment A.

**Goals and Funding:**

The table below summarizes the proposed goals and funding to address community needs during Year 4 of the Five-Year Consolidated Plan (2020-2024).

	<b>Goals</b>	<b>Funding</b>
<b>Housing</b>	<b>Owner-Occupied Housing Rehabilitated: 17 Housing Units</b>  <b>Tenant-Based Rental Assistance: 15 Housing Units</b>	<b>CDBG: \$250,000</b>  <b>HOME: \$364,658</b>
<b>Public Service</b>	<b>500 Persons Assisted</b>	<b>CDBG: \$297,836</b>
<b>Homelessness</b>	<b>Homeless Shelters: 25 Persons Assisted</b>  <b>Homelessness Prevention: 21 Persons Assisted</b>	<b>ESG: \$173,097</b>
<b>Infrastructure Improvements</b>	<b>10,000 Persons Assisted</b>	<b>CDBG: \$500,000</b>
<b>Public Facility Improvements</b>	<b>9,000 Persons Assisted</b>	<b>CDBG: \$300,000</b>
<b>TOTAL PROGRAM FUNDING</b>		<b>\$2,276,612*</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.

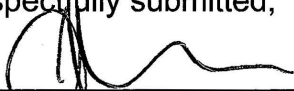
**ENVIRONMENTAL ANALYSIS:**

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. City Council approval of the Plan and grant application submissions, and subsequent approval thereof by HUD, will result in a total allocation to the City of \$3,354,483 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 2024 operating budget of the Housing Department. Approval also enables the City to be eligible for other federally funded programs that are consistent with an adopted Five-Year Consolidated Plan and Annual Action Plan.

Respectfully submitted,

  
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WILLIAM K. HUANG  
Housing Director

Prepared by:

  
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Approved by:

  
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MIGUEL MARQUEZ  
City Manager

Attachments: (2)

Attachment A – CDBG, ESG, and HOME 2023-24 Funding Recommendations  
Attachment B - 2023-24 Annual Action Plan (DRAFT)