

Agenda Report

April 30, 2018

TO: Honorable Mayor and City Council

FROM: Housing and Career Services Department

SUBJECT: **PUBLIC HEARING: APPROVAL OF SUBSTANTIAL AMENDMENT TO ANNUAL ACTION PLAN 2017-2018 PERTAINING TO HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDING**

RECOMMENDATION:

It is recommended that upon the 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; and
- 2) Approve the Substantial Amendment to Annual Action Plan 2017-2018 pertaining to HOME Investment Partnerships program funding, as described in this agenda report.

BACKGROUND:

As a recipient of community development and housing funds from the U. S. Department of Housing and Urban Development (HUD), including funds under the HOME Investment Partnerships program (HOME), the City of Pasadena is required to submit to HUD an Annual Action Plan for each federal program year. The City's Annual Action Plan for program year 2017-2018 was approved by City Council on May 15, 2017. The Annual Action Plan generally describes how the City will utilize its federal funds during the program year. In accordance with HUD regulations, any substantial change to an Annual Action Plan must be approved by the local government body in the form of a Substantial Amendment. The proposed changes to the City's Annual Action Plan 2017-2018, as described below, fall under HUD's definition of a Substantial Amendment. Public notices for the Substantial Amendment were published in the Pasadena Journal and Pasadena Star News on March 29, 2018.

SUBSTANTIAL AMENDMENT TO ANNUAL ACTION PLAN 2017-2018

The proposed Substantial Amendment consists of the following project:

Villa Los Robles Rehabilitation project: proposed programming of \$399,179 in HOME funds to rehabilitate this 8-unit rental housing project, built in 1992, for very low- and low-income families. The rehabilitation scope includes: 1) extending the useful life of the building and correcting existing building problems such as dry rot, rust, and damage to gates and irrigation; 2) upgrading systems; 3) addressing deferred maintenance and repairs; 4) modernizing and replacing other items, such as cabinets and flooring, that will need to be replaced over the next 5-10 years; 5) improving energy efficiency and environmental sustainability; and 6) improving accessibility. With approval of the Substantial Amendment, staff will bring a recommendation to City Council for action on the terms of a loan agreement for this project.

The table below sets forth the specific HOME funding for the project under the proposed Substantial Amendment to Annual Action Plan 2017-2018.

Project	HOME Funding
<u>Vila Los Robles Rehabilitation</u> 473 N. Los Robles Avenue Owner: Villa Los Robles Partners, LP	\$399,179 Total Funded from available, unencumbered HOME balance (program income and IU accounts)

Approval and implementation of the Substantial Amendment will facilitate the timely commitment of HOME funds in accordance with HUD regulations and timeframes.

COUNCIL POLICY CONSIDERATION

This proposed action supports the City Council Strategic Planning Three-Year Goals in the areas of: 1) promoting the quality of life and the local economy; and 2) maintaining fiscal responsibility and stability.

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 a Substantial Amendment to the Annual Action Plan will not have a significant effect on the environment and, hence, is not subject to CEQA.

FISCAL IMPACT

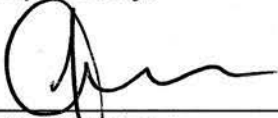
There is no fiscal impact as a result of the action. Staff will recommend a budget appropriation for the Villa Los Robles Rehabilitation project when the terms of this transaction are brought to City Council for consideration.

Respectfully submitted,



WILLIAM K. HUANG
Director of Housing and Career Services

Prepared by:



James Wong
Senior Project Manager

Approved by



STEVE MERMELL
City Manager