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Attachments: 1. Att A _Staff Report_FY20-21 AAP_Summary of Proposed Activities & Funding FINAL, 2. Att B_5-Yr Con Plan FY20-24 Draft of Final 2020.06.15, 3. Att C Justification_Urgent_Need_June-2020

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Staff Report for City Council Approval of the City of San Leandro U.S. Department of Housing and Urban Development (HUD) Fiscal Year 2020-2024 Five-Year Consolidated Plan and Fiscal Year 2020-21 Annual Action Plan

RECOMMENDATIONS

Staff recommends the City Council adopt the resolution to approve the HUD Fiscal Year 2020-2024 Five-Year Consolidated Plan and Fiscal Year (FY) 2020-21 Annual Action Plan and authorize the execution of all related documents by the City Manager and submission of both plans to the U.S. Department of Housing and Urban Development (HUD). Both plans have been available for public comment for more than thirty (30) days since March 17, 2020 and no comments have been received to date. Upon adoption by the City Council, both plans will be combined with the Alameda County HOME Consortium’s plans (for the County and each Consortium member city) and forwarded to HUD.

BACKGROUND

The FY 2020-2024 Five-Year Consolidated Plan (Consolidated Plan) identifies the City’s housing and community development needs and outlines strategies for meeting those needs. It updates the existing and recently amended FY 2015-2020 Consolidated Plan. The FY 2020-21 Annual Action Plan (Action Plan) represents the first year of the Consolidated Planning period and outlines the City’s implementation strategies for Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds from HUD.

As a CDBG entitlement grantee, the City directly receives CDBG funds from HUD each year. For the City to receive its annual CDBG grant allocation, the City must update its Consolidated Plan every five years and submit an Action Plan to HUD.

The City participates in the Alameda County HOME Consortium, which is comprised of Alameda County and Alameda County cities, excluding Berkeley and Oakland. As such, the City must apply to the County to receive its annual share of HOME funding. As part of this process, the City's Action Plans must be submitted to Alameda County. The County serves as the lead agency for the Consortium and the HOME Program and is responsible for submittal of these documents to HUD on behalf of the entire Consortium. The County requires all Consortium members to prepare and submit their respective Consolidated Plans through HUD's online application system, which streamlines formatting and HUD review.

The drafts of the Consolidated Plan and Action Plan were presented to the City Council at a public hearing on March 16, 2020. The City Council directed staff to make both Plans available for public comment for a 30-day period from March 17th through April 17th, 2020. On the same night of this meeting, the City Council ratified a proclamation of a local emergency and a state of emergency due to the Coronavirus Pandemic. Most Community Development staff were directed to follow Alameda County's order to Shelter-In-Place. These activities allowed the draft documents to have a longer public review period but with fewer viewing options due to the closure of public buildings where hard copies of the document are normally available to review. The drafts of both the Consolidated Plan and Action Plan were available for public review on the City's website from March 17 to June 14. As of the publishing of this staff report, there have been no public comments received on either of these documents.

HUD requires the City to use the Consolidated Planning document to identify Priority Needs, Goals to address those needs, and Projects that provide specificity for activities that will be carried out to address the City's needs. The City of San Leandro has identified the following Priority Needs: Affordable Housing Needs, Homeless Assistance and Prevention Services, Community Development Needs - Public Services, Community Development Needs - Public Facilities, Community Development Needs - Economic Development, and COVID-19 Pandemic Response (CARES Act and other federal legislation).

Proposed Changes to the Draft FY 2020-2024 Five-Year Consolidated Plan

Due to the federal government's response to COVID-19 and HUD guidance, there were some substantial edits to the draft of the Consolidated Plan. Additionally, staff received HUD technical assistance with suggested various ways to streamline existing Priority Needs, Goals, and Projects to accomplish efficiencies in CDBG program administration. For both of these reasons, the draft documents presented to the City Council on March 16, 2020 have been edited in a way to highlight those changes (using a different font and color so that it stands out in the final proposed document). (See Attachment B: 5-Yr Con Plan FY 2020-2024 Draft of Final 2020.06.15.) The main changes to the FY 2020-2024 Five-Year Consolidated Plan document occur in the following sections:

- ES-05 Executive Summary discussing CARES Act and additional HUD guidance and authority to the City to use CDBG funding for COVID-19 relief;
- PR-10 Consultation discussing COVID-19 response coordinated through the City's Office of Emergency Services;
- NA-05 Needs Assessment discussing COVID-19 prompted community needs for both the short and long-term;
- MA-65 Hazard Mitigation adding "Disease Outbreak" as a vulnerability;
- SP-25 Priority Needs further defining existing identified needs in response to HUD guidance and COVID-19 response;
- SP-45 Goals further defined existing identified goals in response to HUD guidance and COVID-19 response.

Proposed Changes to the Draft FY 2020-2021 Annual Action Plan

- AP-15 Expected Resources discussing CARES Act and additional HUD guidance and authority to the City to use CDBG funding for COVID-19 relief. This section identifies prior year un-used CDBG funding that will be re-

- allocated from the ongoing ADA Transition Plan to COVID relief activities;
- AP-20 Annual Goals further defined existing identified goals in response to HUD guidance and COVID-19 response;
 - AP-35 Projects were edited per guidance to staff from HUD technical assistance to be less specific about the entity funded to allow for more flexibility. Consequently, staff may re-allocate funds from within an identified Project if a HUD subgrantee does not achieve goals/expend funding as outlined in the Action Plan.

There are no substantive changes recommended involving HOME funds.

The City's CDBG entitlement grant from HUD for FY 2020-21 is \$768,310. There is no projected CDBG program income. There are unallocated CDBG funds from prior years of \$617,689. The City will receive \$238,792 in HOME funds from the Alameda County HOME Consortium.

The proposed CDBG-funded activities in the FY 2020-21 Action Plan fall into the following eligible funding categories: Public Services, Public Facilities, Housing, and General Administration. In addition, given the lifting of the Public Services funding cap, the City is taking a one-time action to assist the following social service providers in the dollar amounts listed below.

These service providers address the critical and basic needs for primarily lower income households severely impacted by the COVID-19 public health crisis: food distribution, mental health services, domestic violence services and rental housing payment relief/assistance. City staff made its public service funding increase recommendations based on the following criteria for eligible nonprofits: 1) has experienced or is anticipating increased service demand related to food supply/distribution, mental health counseling, domestic violence services, 2) has been publicly vetted under the current two year FY 2019-2021 Community Assistance Program (CAP) grant funding cycle, and/or 3) has capacity and experience to comply with federal CDBG administrative requirements.

<u>Public Services</u>	<u>Funding Amount</u>
CALICO - Child Abuse Services	\$47,789
Davis Street Family Resource Center	\$89,481
SOS/Meals on Wheels	\$60,040
Spectrum - Senior Nutrition Program	\$43,127
Building Futures for Women and Children	\$25,000
Family Violence Law Center	\$25,000
La Clinica de la Raza	\$100,000
Asian Health Services	\$100,000
Sub-Total (HUD-mandated 15% cap REMOVED)	\$490,437

<u>Public Facilities</u>	
HUD Section 108 Loan Repayment	\$182,972

<u>Housing</u>	
Single-Family Housing Rehab Grants	\$150,000

<u>General Administration</u>	
City Administration	\$143,662
ECHO Housing - Fair Housing	\$ 10,000
Sub-Total (HUD-mandated 20% cap for Administration)	\$153,662

CALICO, Davis Street Family Resource Center, SOS Meals on Wheels, and Spectrum were preliminarily recommended for funding in the Draft FY 2020-21 Annual Action Plan presented to City Council on March 16, 2020. Due to the COVID-19 crisis, demand for priority need services are

expected to be substantially higher than projected since early March. Therefore, these four public service agencies received the following increased CDBG funding recommendations in this proposed final Annual Action Plan as follows and in Attachment A:

- CALICO (\$25,000 increase from \$22,789 to \$47,789)
- DSFRC (\$45,000 increase from \$44,481 to \$89,481)
- SOS Meals on Wheels (\$30,000 increase from \$30,040 to \$60,040)
- Spectrum (\$25,000 increase from \$18,127 to \$43,127)

Family Violence Law Center and Building Futures for Women and Children address domestic violence needs. La Clinica de la Raza and Asian Health Services will jointly partner to provide a new pilot program for a multi-lingual (i.e., Spanish, Cantonese, Mandarin, Vietnamese, English) “warming” line (as opposed to hotline) to address multicultural mental health needs. These four organizations are recommended to be added to the FY 2020-21 Annual Action Plan because they will address critical needs that have been exacerbated during the Alameda County Shelter-In-Place orders.

Staff proposes to continue using the City’s federal HOME funds for the acquisition, rehabilitation, and/or new construction of affordable rental housing as well as tenant-based rental assistance to serve lower income households in need. Currently, there are no proposed HOME eligible projects.

Current Agency Policies

Current City Council Policy is defined by the FY 2015-2020 Consolidated Plan, adopted by Resolution No. 2015-208 on April 20, 2015. Note that Amendments to this document will be considered at the June 15, 2020 City Council meeting. The FY 2020-2024 Consolidated Plan will eventually replace the FY 2015-2020 Consolidated Plan.

Applicable General Plan Policies

The Consolidated Plan addresses the goals of the current General Plan Housing Element, such as increasing the supply of affordable for-sale and rental housing, providing opportunities for home ownership, preserving and rehabilitating existing affordable owner-occupied and rental housing, and addressing special needs populations.

Environmental Review

If applicable, National Environmental Protection Act (NEPA) and California Environmental Quality Act (CEQA), the latter when applicable, review will be conducted for each project or activity approved by the City Council. Neither NEPA nor CEQA apply to the FY 2020-2024 Consolidated Plan and FY 2020-21 Action Plan because the approval of the plans have no environmental impact.

Summary of Public Outreach Efforts

In accordance with the City’s Citizen Participation Plan, which is required under the Consolidated Plan, a Public Notice of this Public Hearing and the Public Comment Period was published in the East Bay Daily Review on June 5, 2020. Due to COVID-19, the Alameda County Shelter-In-Place order and Community Development Staff quarantine, notice of this Public Hearing was sent only by email to a mailing list of those who have expressed interest in the City’s CDBG funded activities. Due

to the Alameda County Shelter In Place Order, summaries of the proposed 2020-2024 Consolidated Plan and the FY 2020-21 Annual Action Plan were available for review on the City's website (<http://www.sanleandro.org/depts/cd/housing/plans.asp>) and the Library website (<https://www.sanleandro.org/depts/library/default.asp>). Community meetings to solicit public comments on both plans were held on January 21st and 29th, 2020 in geographically dispersed locations to enable more citizens to attend the meetings.

Fiscal Impacts

Per Attachment A, the City has a total of \$1,385,999 in CDBG funds in FY 2020-21 including the original FY 2019-20 entitlement grant amount of \$768,310 and \$617,689 in unspent CDBG funds for prior year City *ADA Transition Plan Improvements to City Facilities* to be reallocated to fund the enhanced public service projects/programs described above in Attachment A: "Proposed CDBG-Funded Added Public Service Activities - FY 2020-21 Action Plan."

HUD typically enters into contract with the City for CDBG grant funding. The grant is paid on a reimbursement basis after expenditure by the City for activities designated in the FY 2020-21 Annual Action Plan.

Budget Authority

Budget authority for CDBG funds is derived from Title I of the Housing and Community Development Act of 1974 (24 CFR 570 et. seq.) and the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136 that was adopted and authorized on March 27, 2020.

ATTACHMENTS

Attachment to Staff Report

- Attachment A: Summary of the FY 2020-21 activities and funding amounts
- Attachment B: Five Year Consolidated Plan FY 2020-2024 and Annual Action Plan 2020-21 Draft of Final Documents
- Attachment C: Justification of Urgent Need June 2020

Attachment to Resolution

- HUD FY 2020-2024 Five-Year Consolidated Plan and FY 2020-21 Annual Action Plan

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