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Attachments: 1. A - Resolution_HUD FY23-24 AAP, 2. B - FY 2023-2024 Proposed Activities & Funding Amounts (CDBG & HOME Funds), 3. C - FY 2023-2024 Annual Action Plan (CDBG & HOME Funds), 4. D - FY 2023-2024 Annual Action Plan PowerPoint, 5. E - Human Services Commission PowerPoint from the meeting of April 4, 2023

Date	Ver.	Action By	Action	Result
5/1/2023	1	City Council	Approved	Pass

Adopt a Resolution to Approve the City of San Leandro’s U.S. Department of Housing and Urban Development (HUD) Fiscal Year 2023-2024 Annual Action Plan

COUNCIL PRIORITY

- Housing and Homelessness
- Race and Equity Initiatives
- Community & Business Development

SUMMARY

The City adopted its 5-Year FY2020-2024 HUD Consolidated Plan in Spring of 2020. This 2023-2024 HUD Annual Action Plan represents the fourth year of the 5-Year Consolidated Plan.

RECOMMENDATIONS

Staff recommends that the City Council hold a second public hearing and take public comments on the Final FY 2023-2024 U.S. Department of Housing and Urban Development (HUD) Annual Action Plan. Staff further recommends that the City Council review and adopt the resolution approving the FY 2023-2024 Annual Action Plan (Plan) and authorize the execution of all related documents by the City Manager and submission of the Plan to HUD.

BACKGROUND

The FY 2023-2024 Annual Action Plan implements the FY 2020-2024 Consolidated Plan strategies by undertaking activities during the program year that utilize two HUD grants: Community Development Block Grant (CDBG) and the HOME Investment Partnership Program (HOME). The

City receives CDBG funding directly from HUD as a CDBG entitlement grantee, while it receives HOME funds through Alameda County.

The Draft FY 2023-2024 Annual Action Plan was presented to the City Council at a public hearing on March 20, 2023. The City Council noted that the Plan would be available for public comment for a 30 -day period from March 21 through May 1, 2023. The draft plan was available for public review at City Hall (City Clerk's office and City's Community Development Department), at the Main Library, the Marina Community Center, and the San Leandro Senior Community Center, as well as at the City of San Leandro website: (<https://www.sanleandro.org/292/Housing-Plans>).

HUD announced CDBG allocations nationally on February 27, 2023 and the City's FY 2023-2024 allocation is \$808,949. The FY 2023-2024 CDBG entitlement grant funding amount increased by over 8% from last year's amount (from \$747,498 to \$808,949).

The FY 2023-2024 HOME funding amount decreased almost 3% from last year's pro-rata share from \$231,786 to \$225,239. HOME funds are available for general administration and affordable housing activities. Up to \$13,670 (of the \$225,239) will be allocated to administration of HOME funds by City staff. The City shall allocate the remaining \$211,569 available in HOME funds to the acquisition and rehabilitation of the Nimitz Motel (Lewelling Shelter) for use as an interim shelter and drop-in navigation center for San Leandro residents experiencing chronic homelessness, as well as for relocation costs for eligible residents.

Analysis

Below is a summary of the proposed FY 2023-2024 CDBG funding allocations by funding category as shown in Attachment B.

Public Services

The City issued the Two-Year FY 2023-2025 Community Assistance Grant Program (CAP) and CDBG Public Services Request for Proposals in early December 2022 and applications were due January 16, 2023. CAP public services are funded from an annual allocation of City General Fund monies (\$160,000 for FY 2023-2025), and CDBG funds (statutorily capped at 15% of the total CDBG annual entitlement grant plus prior year program income for public services). There was no program income this year. There is a total of \$121,342 in funding available from CDBG for Public Services grants in FY 2023-2024 (\$808,949 x 15%).

The City's Human Services Commission (HSC) met on April 4, 2023 to make funding recommendations to City Council. The Human Services Department and Housing Division staff also evaluated the applications and provided their recommendations for HSC to consider (see Attachment E). The Housing Division recommended that four nonprofit agencies receive CDBG funding: Davis Street Family Resource Center, Spectrum Community Services, SOS Meals on Wheels and CALICO. The Housing Division based their recommendations on the review of 1) the application submittals for FY23-25, 2) past performance of existing recipients (including quarterly reports, meeting of goals, and timeliness of billing and reports, 3) funding requests of the applicants, and 4) priority needs identified in both the City Human Services Gap Analysis (October 2017) and the recently updated HUD Five-Year Consolidated Plan for FY 2020-2024. The City's Human Service Department also submitted their recommendations to the HSC, but only for how CAP grant applicants should be funded. Because HUD is only concerned with CDBG-funded activities in the City's Annual Action

Plan, CAP funded public service programs are not included in this staff report and will be brought forward to City Council by the Human Services Department separately.

The HSC recommended to City Council the following CDBG Public Service grant funding allocations for FY 2023-2024:

- CALICO (Child Abuse, Listening, Interviewing, and Coordination) - Building Resiliency: Family Support Services for Abused Children Program (\$22,000);
- Davis Street Family Resource Center - Basic Needs and Family Counseling Services Program (\$30,000);
- Service Opportunities for Seniors (SOS) - Meals on Wheels for San Leandro Seniors Program (\$39,000); and
- Spectrum Community Services, Inc. - San Leandro Senior Nutrition Meals Program (\$30,342)

General Administration

For CDBG General Administration, HUD allows entitlement cities and counties up to 20% of the total CDBG allocation. Therefore, a total of \$161,790 (\$808,949 x 20%) is available for the administration of CDBG funded activities including the provision of federally mandated fair housing services. Of the \$161,790, Staff recommends \$141,790 be allocated for CDBG general administration costs. Staff also recommends increasing CDBG funding to ECHO Housing to continue providing fair housing services to San Leandro residents from \$10,000 to \$20,000 this year, due to the increase in the cost of providing services and advancing fair housing initiatives under the City's 2023-2031 Housing Element Update. This is the first increase they will receive as a Fair Housing provider in ten years.

Public Facilities

For Public Facilities improvement projects, staff proposes allocating CDBG funds to the following two projects: 1) Section 108 loan repayment for the Senior Community Center construction, which is an ongoing project based on a HUD repayment schedule (\$168,135), 2) Lewelling Shelter and Drop-in Navigation Center for the acquisition and rehabilitation of the Nimitz Motel for use as a shelter and drop-in navigation center for San Leandro residents experiencing chronic homelessness, as well as for relocation costs for eligible residents (\$207,682).

Housing

Staff recommends increasing CDBG funding back to \$150,000 for the nonprofit Rebuilding Together Oakland / East Bay to continue administering the City's Single-Family Home Rehabilitation Program. The program remains in high demand for lower income San Leandro single family homeowners in need of minor home repairs. This allocation was decreased by \$50,000 for FY 2022-2023 to \$100,000 in order for the City to fund the high priority Lewelling Shelter and Navigation Center, and the urgent need to assist Building Futures to complete their needed San Leandro Shelter renovations.

Current Agency Policies

- Current City Council Policy is defined by the FY 2020-2024 Consolidated Plan, adopted by Resolution No. 2020-056 on June 15, 2020.

- The Consolidated Plan addresses the goals of the General Plan Housing Element, which was most recently certified for 2023-2031 by the State Housing and Community Development Department in February 2023, 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.

Previous Actions

A public hearing was held on March 20, 2023, to consider the proposed FY 2023-2024 Annual Action Plan, receive public comments, and acknowledge the 30-day public comment period for the plan.

Applicable General Plan Policies

The HUD Five-Year Consolidated Plan addresses the following goals of the 2023-2031 Housing Element of the General Plan:

- Goal 1 - Increase housing production by providing adequate sites for a variety of housing types and removing constraints to residential development
- Goal 2 - Assist the development of housing affordable to extremely low-, very low-, low-, and moderate-income levels and populations with special needs
- Goal 3 - Promote conservation and preservation of existing housing stock
- Goal 4 - Protect residents from displacement
- Goal 5 - Advance fair housing, equity, and inclusion
- Goal 6 - Housing for individuals and families experiencing homelessness

Environmental Review

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 review and approval of the FY 2023-2024 Annual Action Plan, because there is no foreseeable effect on the environment.

Board/Commission Review and Actions

On April 4, 2023, the Human Services Commission (HSC) met to review and make two-year grant recommendations on the CAP/CDBG RFP for public services in FY 2023-2024 and FY 2024-2025 including the following CDBG-funded nonprofits: CALICO, Davis Street Family Resource Center, SOS/Meals on Wheels and Spectrum Community Services. The recording of the April 4 HSC meeting may be heard at the City website link: <https://sanleandro.legistar.com/Calendar.aspx>.

Summary of Public Outreach Efforts

In accordance with the City's Citizen Participation Plan, required by the HUD Consolidated Plan regulations, Staff published a notice of tonight's public hearing in the *Daily Review* newspaper on April 21, 2023. A copy of the Draft FY 2023-2024 Annual Action Plan, as well as public notices with partial translations in Spanish and Chinese, were available for review at the City's website at <https://www.sanleandro.org/292/Housing-Plans>. The 30-day comment period was held from March 21 - May 1, 2023. To date, no public comments have been received.

Financial Impacts

This Council action will not impact fund balance because these are annual federal discretionary funds that come to the City from the US Department of Housing and Urban Development.

Budget authority for CDBG funds is derived from Title I of the Housing and Community Development Act of 1974 (24 CFR 570 et seq.). Budget Authority for HOME funds is derived from the Federal Home Investment Partnerships (HOME) Program (under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended).

The City transacts all federal CDBG activity in a restricted discretionary revenue fund-Fund 165, the Community Development Block Grant Fund. The City restricts Fund 165 to transactions exclusively supporting CDBG activities as approved by City Council. Similarly, the City transacts all federal HOME activity in a restricted discretionary revenue fund-Fund 166.

ATTACHMENTS

Attachment A: Resolution to Approve the City of San Leandro's U.S. Department of Housing and Urban Development (HUD) Fiscal Year 2023-2024 Annual Action Plan

Attachment B: FY 2023-2024 Proposed Activities & Funding Amounts (CDBG & HOME Funds)

Attachment C: FY 2023-2024 Annual Action Plan (CDBG & HOME Funds)

Attachment D: FY 2023-2024 Annual Action Plan PowerPoint

Attachment E: Human Services Commission PowerPoint from the meeting of April 4, 2023

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