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Attachments: 1. FINAL Attachment A-June 2018 Staff Report_FY18-19 Summary of Proposed Activities & Funding, 2. AAP-City of San Leandro-FY18-19-City Council 2018.06.04-Draft of Final, 3. 060418 Annual Action Plan FY18-19 Power Pt FINAL

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Staff Report for the City Council of the City of San Leandro to Approve the U.S. Department of Housing and Urban Development (HUD) Final FY 2018-2019 Annual Action Plan

RECOMMENDATIONS

Staff recommends that the City Council hold a second public hearing and take public comments on the Final FY 2018-2019 U.S. Department of Housing and Urban Development (HUD) Annual Action Plan. Staff recommends that the City Council review and adopt the resolution approving the FY 2018-2019 Annual Action Plan (Plan) and authorize the execution of all related documents by the City Manager and submission of the Plan to HUD.

City staff released the Plan and requested public comment on April 6, 2018. The Plan was available for public comment for thirty (30) days until May 7, 2018. To date, there have been no comments received. Upon adoption by the City Council, the City will forward the Plan to HUD.

BACKGROUND

Consolidated (or Annual) Action Plan

The FY 2018-2019 Annual Action Plan implements the FY 2015-2019 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 Draft FY 2018-2019 Annual Action Plan was presented to the City Council at a public hearing on April 2, 2018. The Council directed staff to make the plan available for public comment for a 30-day period from April 6 through May 7, 2018. The draft plan was available for public review at City Hall (City Clerk's office and Community Development Department), at the Main Library, and on the City's website.

At the April 2, 2018 City Council meeting, staff noted that the second public hearing to review the final Plan would be at the City Council meeting held either on May 7, 2018 or would be scheduled as soon as possible after HUD released its funding allocations for FY 2018-2019. HUD publicly released the CDBG and HOME allocations on May 1, 2018. The FY 2018-2019 CDBG entitlement grant funding amount increased over 8% from last year's amount (from \$659,582 to \$714,909). The FY 2018-2019 HOME funding amount increased over 50% from last year's pro-rata share from the Alameda County HOME Consortium of \$162,675 to a total allocation of \$244,691.

Analysis

Below are the changes to the Draft FY 2018-2019 Annual Action Plan presented to City Council on April 2, 2018 and incorporated in the Final Plan:

- There is an estimated \$29,918 in unused prior year CDBG funds that will be carried forward to FY 2018-19. This unused CDBG funding appears to be administrative savings resulting from the temporary departure of the Housing Specialist, who was replaced by the current Senior Housing Specialist in summer 2017. Both the added HUD entitlement grant and the FY 2017-2018 carryforward will be allocated to increase funding for public services and ADA Transition Plan upgrades to City facilities.
- For public services, staff recommends a proportionate 8% increase in CDBG funding to each of the following three public service grantees: CALICO (San Leandro Child Abuse Intervention Project) increased from \$20,537 to \$22,260; Davis Street Family Resource Center (Basic Needs Program) from \$36,197 to \$39,223; and SOS (Meals on Wheels) from \$42,203 to \$45,743. CDBG regulations set a 15% total spending cap on public services.
- For CDBG general administration, staff recommends a 9% increase from \$121,916 to \$132,982. CDBG regulations set a 20% total spending cap on general administration.

There was no increase to the Section 108 loan repayment for the Senior Community Center construction which is based on a HUD loan repayment schedule. Additionally, there was no increase to the Single Family Rehabilitation Program which is sufficiently funded. The remainder of added funding will go into the ongoing ADA Transition Plan upgrades, which increased from a projected \$138,094 in the Draft Plan to \$203,974 in the Final Plan.

Current City Council Policy

Current City Council Policy is defined by the FY 2015-2019 Consolidated Plan, adopted by Resolution No. 2015-080 on April 20, 2015.

Previous City Council Action(s)

A public hearing was held on April 2, 2018, to consider the proposed FY 2018-2019 Plan, receive public comments, and start the 30-day public comment period for the plan.

Committee Review and Actions

On April 26, 2017, the Human Services Commission met to review and make two-year recommendations on public services funding to be allocated in FY 2017-2018 and FY 2018-2019. This Plan is the second year of this two-year staff recommended and City Council approved funding commitment.

Applicable General Plan Policies

The Consolidated Plan addresses the goals of the Housing Element of the General Plan, 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 populations of particular need.

Environmental Review

National Environmental Protection Act (NEPA) and California Environmental Quality Act, when applicable, review will be conducted for each project or activity approved by the City Council. Neither CEQA nor NEPA apply to the FY 2018-2019 Consolidated Annual Action Plan.

Summary of Public Outreach Efforts

In accordance with the City's Citizen Participation Plan, which is required under the HUD Consolidated Plan regulations, notices of both public hearings (with partial translations in Spanish and Chinese) were published in *The Daily Review* on May 18, 2018 and sent to a mailing list of those who have expressed interest in the City's CDBG funding activities. Copies of the Draft FY 2018-2019 Plan were available for review at City Hall (City Clerk's office and Community Development Department), at the Main Library, and on the City's website (<https://www.sanleandro.org/depts/cd/housing/plans.asp>) for a 30-day comment period from April 6, 2018 to May 7, 2018. No public comments have been received to date.

Fiscal Impacts

HUD will enter into contract with the City for the grant amount. The grant is on a reimbursement basis with funds being reimbursed by HUD after expenditure by the City for activities designated in the FY 2018 -2019 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.). 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).

ATTACHMENTS

Attachment to Staff Report

- Attachment A - Summary of the FY 2018-2019 proposed activities and funding amounts

Attachment to Resolution

- Final FY 2018-2019 Annual Action Plan

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