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Title: Staff Report for the Approval of the City of San Leandro U.S. Department of Housing and Urban Development (HUD) FY 2015-2019 Five-Year Consolidated Plan and FY 2015-2016 Annual Action Plan

Sponsors: Cynthia Battenberg

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Attachments: 1. FINAL Summary of Activities & Funding for FY15-16 Action Plan

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Staff Report for the Approval of the City of San Leandro U.S. Department of Housing and Urban Development (HUD) FY 2015-2019 Five-Year Consolidated Plan and FY 2015-2016 Annual Action Plan

RECOMMENDATIONS

Staff recommends the City Council adopt the resolution to approve the HUD FY 2015-2019 Five-Year Consolidated Plan and FY 2015-2016 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 thirty (30) days since March 20, 2015 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 2015-2019 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 FY 2010-2014 Five-Year Consolidated Plan. The FY 2015-2016 Annual Action Plan (Action Plan) represents the first year of the FY 2015-2019 Consolidated Plan 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. In order to receive its annual CDBG grant allocation, the City must update its Consolidated Plan every five years and submit an Annual Action Plan to HUD.

The City participates in the Alameda County HOME Consortium, which is made up 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 Annual 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 to HUD of the Annual Action Plan documents 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 Draft FY 2015-2019 Consolidated Plan and FY 2015-2016 Action Plan were presented to the City Council at a public hearing on March 16, 2015. The City Council directed staff to make both Plans available for public comment for a 30 day period from March 20th through April 20th, 2015. The drafts of both Plans were available for public review at City Hall, at the Main Library, and on the City's website as required under the City's HUD approved Citizen Participation Plan. To date, no public comment has been received.

The City's Five-Year Consolidated Plan is divided into four HUD-prescribed Priority Needs: Affordable Housing, Homelessness, Supportive Housing, and Community Development Needs. Community Development Needs include public services, public facilities improvements, and economic development.

Proposed Changes to the Draft FY 2015-2019 HUD Five-Year Consolidated Plan

There are no substantive changes recommended to the draft of the FY 2015-2019 Consolidated Plan presented to the City Council on March 16.

Proposed Changes to the Draft FY 2015-2016 Annual Action Plan

There are no substantive changes recommended to the draft of the FY 2015-2016 Action Plan involving CDBG and HOME funds.

The City's CDBG entitlement grant from HUD for FY 2015-2016 is \$628,306. There is no projected CDBG program income or unallocated CDBG funds from prior years. The City will receive \$141,964 in HOME funds from the Alameda County HOME Consortium plus an estimated \$433,772 carried over from prior year unallocated HOME funds.

The proposed CDBG-funded activities in the FY 2015-2016 Annual Action Plan fall into the following eligible funding categories: Public Services, Public Facilities, Housing, and General Administration.

| <u>Public Services</u> | <u>Funding Amount</u> |
|-------------------------------------|--|
| CALICO - Child Abuse Services | \$ 19,400 |
| Davis Street Family Resource Center | \$ 34,500 |
| SOS/Meals on Wheels | \$ 25,700 |
| Spectrum - Senior Nutrition Program | <u>\$ 14,645</u> |
| Total | \$ 94,245 <i>(HUD-mandated 15% cap for public services)</i> |

| <u>Public Facilities</u> | |
|---------------------------------|------------------|
| HUD Section 108 Loan Repayment | \$201,417 |
| ADA Transition Plan | <u>\$116,983</u> |
| Total | \$318,400 |

Housing

Single-Family Housing Rehab Grants **\$ 90,000**

General Administration

| | |
|-----------------------------|--|
| City Administration | \$115,661 |
| ECHO Housing - Fair Housing | <u>\$ 10,000</u> |
| Total | \$125,661 (HUD-mandated 20% cap for Administration) |

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 2010-2014 Consolidated Plan, adopted by Resolution No. 2010-038 on April 19, 2010. The FY 2015-2019 Consolidated Plan will eventually replace the FY 2010-2014 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

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 2015-2019 Consolidated Plan and FY 2015-2016 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, notices of both public hearings have been published in the *Daily Review* newspaper. Summaries of the FY 2015-2019 Consolidated Plan and FY 2015-2016 Action Plan were published in the newspaper prior to each of the two public hearings as well. Both Plans were made available at City Hall (in the City Clerk’s office and the City’s Community Development Department), at the Main library, and on the City website for the required 30-day comment period from March 20th through April 20th, 2015. A second public hearing will be held on April 20, 2015. Previously, community meetings to elicit public comments on the both plans were held on January 20th and 28th, 2015 in geographically dispersed locations to enable more citizens to attend the meetings.

Fiscal Impacts

HUD will enter into contract with the City for the annual CDBG entitlement grant amount. The grant is on a reimbursement basis; this means funds are reimbursed by HUD after expenditure by the City for activities designated in the 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 2015-2016 activities and funding amounts

Attachment to Resolution

- HUD FY 2015-2019 Five-Year Consolidated Plan and FY 2015-2016 Annual Action Plan

PREPARED BY: Steve Hernandez, Housing Specialist II, Community Development