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Date	Ver.	Action By	Action	Result
5/5/2014	1	City Council	Received and Filed	

Staff Report for City of San Leandro U.S. Department of Housing and Urban Development (HUD) Final FY 2014-2015 Annual Action Plan

**RECOMMENDATIONS**

Staff recommends that the City Council hold a second public hearing and adopt the resolution approving the FY 2014-2015 Annual Action Plan and authorizing the execution of all related documents by the City Manager and submission of the Action Plan to HUD.

The Action Plan has been available for thirty (30) days for public comment since March 31, 2014. Upon adoption by the City Council, the Plan will be combined with the Alameda County HOME Consortium’s plans (for the County and each Consortium member city) and forwarded to HUD.

**BACKGROUND**

**Consolidated (or Annual) Action Plan**

The FY 2014-2015 Annual Action Plan implements the FY 2010-2014 Consolidated Plan strategies by undertaking activities during the program year that utilize two HUD grants: Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME).

The Draft FY 2014-2015 Annual Action Plan was presented to the City Council at a public hearing on March 17, 2014. The Council directed staff to make the plan available for public comment for a 30-day period from March 31 through April 30, 2014. 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. To date, there have been no comments received.

**Analysis**

## Proposed Changes to the Draft of the FY 2014-2015 Annual Action Plan

HUD formally announced its final CDBG and HOME budgets for FY 2014-2015 after the City conducted its March 17, 2014 public hearing on the Draft FY 2014-2015 Annual Action Plan. Staff assumed last year's CDBG and HOME funding levels in the Draft Action Plan because HUD had not yet finalized its FY 2014-2015 budget at the time. The City's CDBG entitlement grant amount next fiscal year will be \$691,519 which is about 6.5% more than last year's grant amount of \$649,471. Below is a summary of the notable changes for the CDBG and HOME allocations from the March 17<sup>th</sup> draft:

1. Funding for public services will be increased from \$97,420 to \$103,727. The list below reflects the funding increases for public services agencies that the Human Services Commission (HSC) approved at its March 26, 2014 commission meeting. HSC equitably allocated an additional \$1,200 to each agency with FESCO receiving a slightly larger allocation of \$1,507. Fiscal year 2014-2015 represents the 2<sup>nd</sup> year of the two-year funding cycle under the FY 2013-2015 Community Assistance Grant Program (CAP).
  - CALICO - *Child Abuse Intervention Project* - \$14,200
  - Davis Street Family Resource Center - *Basic Needs Program* - \$42,720
  - Family Emergency Shelter Coalition (FESCO) - *Emergency Shelter* - \$14,507
  - SOS/Meals on Wheels - *Senior Support Services (Meal Delivery)* - \$18,100
  - Spectrum Community Services - *Senior Nutrition Program* - \$14,200
2. Funding for General Administration will be increased from \$119,894 to \$128,303.
3. Under "Public Facilities and Improvements", the proposed \$40,000 for the ADA Transition Plan for City Facilities will be increased to \$55,000, and the proposed \$88,120 for City-wide handicap accessible curb cuts will be increased to \$100,452. The City's \$204,037 repayment to HUD for its Section 108 loan will remain the same because it is an amortized loan repayment obligation.

Additionally, the HOME fund grant allocation to the City increased by about 6.5%. As a result, the City's HOME grant amount for FY 2014-2015 increases from \$144,275 to \$154,256. HOME administration funds increased from \$8,594 to \$9,130, and HOME funds available for affordable rental housing project expenditures rose from \$425,178 to \$434,623, which includes \$289,497 of unallocated and carryover HOME funds from prior years.

### **Current City Council Policy**

Current Council Policy is defined by the FY 2010-2014 Consolidated Plan, adopted by Resolution No. 2010-038 on April 19, 2010.

### **Previous City Council Action(s)**

A public hearing was held on March 17, 2014, to consider the proposed FY 2014-2015 Annual Action Plan, receive public comments, start the 30-day public comment period for the plan, and set a second public hearing date for May 5, 2014 to consider public comments and adopt the plan.

## **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 special needs populations.

## **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 2014-2015 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) have been published in the *Daily Review* and sent to a CDBG mail list of interested parties. Copies of the Draft FY 2014-2015 Action 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 ([Draft HUD FY 2014-15 Annual Action Plan <www.sanleandro.org/depts/cd/housing/plans.asp>](http://www.sanleandro.org/depts/cd/housing/plans.asp)) for a 30-day comment period from March 31 - April 30, 2014.

## **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 2014-2015 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 A - Summary of the FY 2014-2015 proposed activities and funding amounts

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