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Title: Staff Report for a Public Hearing on a Proposed Amendment to the FY 2010-2011 U.S. Department of Housing and Urban Development (HUD) Annual Action Plan to Re-allocate \$100,000 in CDBG Funds Originally Intended for a Proposed Childcare Center by BRIDGE Housing: \$10,000 for renovations to the Luella Fuller Home and \$90,000 for Continued Implementation of the City's ADA Transition Plan

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Staff Report for a Public Hearing on a Proposed Amendment to the FY 2010-2011 U.S. Department of Housing and Urban Development (HUD) Annual Action Plan to Re-allocate \$100,000 in CDBG Funds Originally Intended for a Proposed Childcare Center by BRIDGE Housing: \$10,000 for renovations to the Luella Fuller Home and \$90,000 for Continued Implementation of the City's ADA Transition Plan

SUMMARY AND RECOMMENDATIONS

Under the City's FY 2010-2011 HUD Annual Action Plan, the City originally allocated \$100,000 for BRIDGE Housing's proposed childcare center located within its affordable rental housing development proposal called The Alameda (now known as Marea Alta). In recent years, the City determined that CDBG funds were too inflexible and cumbersome to allocate to the proposed childcare center and the City Council consequently approved a loan to BRIDGE for \$800,000 from General Funds in February 2017. In order to re-allocate the \$100,000 from CDBG, the City must adhere to its HUD-approved Citizen Participation Plan (CPP), which governs the process of amending HUD Annual Action Plans.

Staff recommends that the City Council hold a public hearing, provide direction to staff on the amendments to the FY 2010-2011 Action Plan, make the summary of the amendments available for public comment for a 30-day period from June 12 - July 11, 2017, and set a public hearing for July 17, 2017 to consider final approval of the amended FY 2010-2011 Annual Action Plan.

BACKGROUND

The City Council originally allocated \$100,000 of CDBG funds to BRIDGE Housing for its proposed childcare center in FY2010-11. As the affordable rental development project (where the childcare center would be on the ground floor) faced major obstacles to funding and construction including negative impacts from the 2008 recession, the childcare center became further delayed and the City never entered into contract with BRIDGE for the CDBG funds. City staff also determined that CDBG funding had regulatory burdens that impacted

BRIDGE's ability to move from the originally intended location on the west side of the BART station to its current location east of the station and in restricting the number of affordable childcare slots. Therefore, the City approved an \$800,000 loan from General Funds to BRIDGE Housing in February 2017 to more expeditiously "jump start" the childcare center tenant improvements.

City staff recommends making the following amendment to the FY 2010-11 Action Plan for the \$100,000 in available CDBG funds:

1. Eliminate the Alameda Childcare Center project and re-allocate the \$100,000 in Community Development Block Grant (CDBG funds).
2. Add Housing Consortium of the East Bay ADA Improvement project and allocate \$10,000 in CDBG funds for this project.
3. Add ADA Transition Plan and allocate the other \$90,000 in CDBG funds for this project.

The Housing Consortium of the East Bay (HCEB) is an established 501(1)(c)(3) nonprofit providing affordable housing for persons with development disabilities or other special needs for over 20 years. HCEB owns and operates Luella Fuller Home located at 342 West Joaquin Avenue in San Leandro. Luella Fuller Home houses 4 tenants with developmental disabilities. HCEB requested and submitted a CDBG application for \$10,000 to make needed renovations to Luella Fuller Home including accessible doors, outdoor lighting, and motion sensors for safety. Staff will bring forward separately in the future for City Council review a contract with HCEB for the \$10,000.

The City established an ADA Transition Plan for City facilities around 2011 to make needed improvements to all City facilities (including City Hall, Marina Community Center, Main Library, etc.) to make them more accessible to persons with disabilities. As part of the Plan, the City established a goal of utilizing an average of \$130,000 in CDBG funds per year beginning in FY2011-2012. As CDBG funding declined and fluctuated since that time, the City has annually averaged \$80,000 in CDBG funding for the ADA Transition Plan. Therefore, staff recommends the additional \$90,000 be re-allocated to the ongoing ADA Transition Plan capital improvement activities to make up for lost funding in the past.

There is no need to amend the FY2010-2014 Five Year Consolidated Plan as both the HCEB proposed rehabilitation of Luella Fuller Home and the ADA Transition Plan comply with the Plan priority of "Community Development Need - Public Facilities and Improvements" that encourage the use of CDBG funding for City and non-profit capital improvements.

Previous Actions

The City Council approved the FY 2010-2014 Consolidated Plan and FY2010-2011 HUD Annual Action Plan in April 2010.

Environmental Review

Reviews under the National Environmental Protection Act will be conducted on each individual project proposed in the amendments prior to commitment or expenditure of CDBG funding.

Summary of Public Outreach Efforts

A notice of public hearing was published in the Daily Review on April 28, 2017 to notify the public with more than a 30 day notice that City staff will present the substantial amendments to the FY 2010-11 Action Plan at the June 5, 2017 City Council meeting as required under the CPP. There have been no public comments received.

Fiscal Impacts

There will be no impact on General Funds. The amendment would involve the re-allocation of \$100,000 in uncommitted federal CDBG funds from FY 2010-2011 to two new projects: \$90,000 for the ongoing ADA Transition Plan and \$10,000 for renovations at Luella Fuller Home.

Budget Authority

Budget authority is derived from Title I of the Housing and Community Development Act of 1974 (24 CFR 570 et seq.)

PREPARED BY: Tom Liao, Deputy Community Development Director