



Legislation Text

File #: 11-396, **Version:** 1

Staff Report for Approving the Amendment to the San Leandro FY 2011-2012 Consolidated Annual Action Plan

RECOMMENDATIONS

Staff recommends the City Council adopt the resolution approving the Amendment to FY 2011-2012 Consolidated Annual Action Plan to add Surf Apartments acquisition and rehabilitation under "Housing Activities" and allocate \$35,000 in Community Development Block Grant (CDBG) funds for this new project.

BACKGROUND

On November 7, 2011, staff presented to the City Council the proposed amendment to the FY 2011-2012 Consolidated Annual Action Plan which is necessary prior to CDBG funds being committed to Eden Housing for the acquisition and rehabilitation of Surf Apartments. To date no public comments have been received by City staff during the 30-day public review period (November 17 - December 19).

The Amendment to the FY 2011-2012 Consolidated Annual Action Plan is described below:

Add Surf Apartments acquisition and rehabilitation under "Housing Activities" and allocate \$35,000 in Community Development Block Grant (CDBG) funds for this new project (via the City's unallocated CDBG funds that have been carried over from prior years).

Attached is the amended Table 1 in the FY 2011-2012 Action Plan. Below is a table summarizing how CDBG funds will be allocated to the acquisition and rehabilitation of Surf Apartments in FY 2011-2012.

Analysis

Preserving Surf Apartments is a high priority for the City under its Housing Element Update and Five-Year HUD Consolidated Plan. Thirty-five (35) of the units at Surf Apartments serve affordable households between 35% and 60% AMI, and the other eleven (11) units are market-rate units. Currently, the City has a regulatory agreement with Citizens Housing Corporation, the current owner of Surf Apartments, which imposes a 55-year affordability restriction on the property until 2058. Ownership of Surf Apartments will be transferred to Eden Housing from Citizens Housing by the end of 2011 which will coincide with Citizens Housing's dissolution as an organization. Eden Housing, an experienced, well-regarded, and dedicated affordable housing developer and property manager, already manages and owns the neighboring Las Palmas Apartments which is also an affordable housing rental property. Eden Housing also owns and manages the newly built Estabrook Place, an affordable senior housing rental complex located near downtown San Leandro.

In accordance with the City's U.S. Department of Housing and Urban Development (HUD) approved

Citizen Participation Plan (CPP), which governs the process of amending the City's Five-Year Consolidated Plan and subsequent Annual Action Plans, the City must first complete a "substantial change or amendment" to its FY 2011-2012 Action Plan (as described above) prior to allocating \$35,000 from CDBG to this project.

Current Agency Policies

The FY 2010-2014 Consolidated Plan and the FY 2011-2012 Action Plan define current Council Policy.

Previous Actions

A public hearing was held on November 7, 2011 to present the proposed Amendment to the FY 2011-2012 Consolidated Annual Action Plan, solicit public comments, approve the 30-day public comment period (November 17 - December 19, 2011) for the summary of the amendment, and set a public meeting date on December 19, 2011 to consider public comments and to consider final approval of the amended Action Plan.

Committee Review and Actions

Staff presented the Amendment to the FY 2011-2012 Action Plan to the City Council Housing and Business Development Committee on October 13, 2011.

Environmental Review

Pursuant to National Environmental Protection Act (NEPA), the appropriate level of environmental review for the proposed Surf Apartments acquisition and rehabilitation project has been completed and no further NEPA review is needed.

Summary of Public Outreach Efforts

A notice of public meeting was published in the *Daily Review* on November 17, 2011, thirty (30) days prior to the public meeting, to notify the public that City staff will seek final approval of the substantial Amendment to the FY 2011-2012 Consolidated Annual Action Plan at the December 19, 2011 City Council Meeting.

Fiscal Impacts

This Surf Apartments acquisition and rehabilitation project will cost \$100,000, of which \$65,000 will be from the City's Affordable Housing Trust Fund and the remaining \$35,000 will be from CDBG funds. The \$65,000 will come from the existing \$66,486 balance from AHTF and the \$35,000 from CDBG will come from \$119,762 in unallocated and unexpended CDBG funds from last year.

Budget Authority

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

ATTACHMENTS

- Amended Table 1: FY 2011-2012 HUD Annual Action Plan: CDBG & HOME Funds

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