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Final FY 2017-2018 Annual Action Plan  
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Staff Report for City of San Leandro U.S. Department of Housing and Urban Development (HUD)  
Final FY 2017-2018 Annual Action Plan

### RECOMMENDATIONS

Staff recommends that the City Council hold a second public hearing and take public testimony on the Final FY2017-2018 Annual Action Plan. Then, after closing the public hearing, staff recommends that the Council review and adopt the resolution approving the FY 2017-2018 Annual Action Plan (Plan) and authorize the execution of all related documents by the City Manager and submission of the Action Plan to HUD.

The City made the Plan available for thirty (30) days for public comment from April 6, 2017 to May 5, 2017. The City received no comments during the 30 day period nor any since then. 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 the U.S. Department of Housing and Urban Development (HUD).

### BACKGROUND

#### Consolidated (or Annual) Action Plan

The FY 2017-2018 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 Home Investment Partnership Program (HOME).

The Draft FY 2017-2018 Annual Action Plan was presented to the City Council at a public hearing on April 3, 2017. Council directed staff to make the plan available for public comment for a 30-day

period from April 6 through May 5, 2017. 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.

On May 1, staff returned to the City Council and requested that the public hearing to review the final Plan be postponed until June when it was anticipated that the federal government would have the final CDBG and HOME budgets approved and released to cities and counties. To date, HUD has not yet released the final FY2017-2018 CDBG and HOME allocations to cities and counties.

### **Analysis**

There is one proposed change to the Draft FY 2017-2018 Annual Action Plan:

- Under "Public Services," staff recommends that the nonprofit Meals on Wheels (Senior Support Services) should be allocated \$41,737. In the Draft Plan, staff had originally recommended Meals on Wheels for \$26,591, which was its FY2016-2017 funding level. However, Spectrum Community Services (Senior Nutrition Program) did not apply for FY2017-2018 CDBG funds. Staff therefore recommends that Meals on Wheels receive the \$15,146 that had been allocated to Spectrum in the Draft Plan to service the high demand for its basic food services to low income seniors. The Human Services Commission supported this re-allocation to Meals on Wheels at its April 26th meeting.

The final CDBG and HOME budget appropriations for FY 2017-2018 should be available soon since Congress reached a bipartisan agreement over a month ago to continue funding the federal government for the next fiscal year. The City's FY 2017-2018 Annual Action Plan presented tonight is based on the assumption that the City will receive the same CDBG entitlement grant amount as FY 2016-17.

HUD revised the statutory May 15<sup>th</sup> annual deadline for submittal of the Action Plan and instructed CDBG grantees not to submit their FY 2017-2018 Action Plan until after the FY 2017 allocations are announced. As a contingency funding plan, staff will proportionately increase or decrease all of the proposed activities' budgets, except the Section 108 loan repayment which is a set amount, from the current estimated funding levels to match the actual or final allocation amounts from HUD for CDBG and HOME.

The City will have 60 days after the date HUD announces the CDBG allocations for FY 2017, but no later than August 16, 2017, to submit its FY 2017-2018 Action Plan to HUD.

### **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 3, 2017, to consider the proposed FY 2017-2018 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 1, 2017 to consider public comments and adopt the plan. Because HUD still had

not released the final FY2017-2018 CDBG and HOME allocation as of May 1, the City Council approved the staff recommendation to postpone the final review of the FY2017-2018 Plan until June.

### **Committee Review and Actions**

On April 26, 2017, the Human Services Commission met to review and make recommendations on public services funding through the FY 2017-18 Community Assistance Program (CAP), and the proposed CDBG-funded public services allocations. The HSC recommended approval of the proposed CDBG allocations as noted in this staff report. The HSC also recommended CAP funding in the amounts of \$5,000 for Davis Street Family Resource Center's Basic Needs Program and \$5,000 for SOS Meals on Wheels in addition to the proposed CDBG allocations for both programs. The Recreation and Human Services Department will bring forward separately to City Council the contracts for CAP-funded public services.

### **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. Otherwise, neither CEQA nor NEPA apply to the FY 2017-2018 Consolidated Annual Action Plan itself.

### **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 public hearings (with partial translations in Spanish and Chinese), for April 3, May 1 and June 19, were published in *The Daily Review* and sent to the CDBG mailing list of interested parties. Copies of the Draft FY 2017-2018 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 (<https://www.sanleandro.org/depts/cd/housing/plans.asp>) for a 30-day comment period from April 6 through May 5, 2017. 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 reimbursed by HUD after expenditure by the City for activities designated in the FY 2017-2018 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 2017-2018 proposed activities and funding amounts

### **Attachment to Resolution**

- Final FY 2017-2018 Annual Action Plan

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