



Legislation Text

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Hold a Public Hearing and Approve Resolutions 1) Approving the U.S. Department of Housing and Urban Development (HUD) Final FY 2022-2023 Annual Action Plan and 2) Approving the Community Development Block Grant (CDBG) Agreements for Fiscal Year 2022-2023 Between the City of San Leandro and CDBG Sub-Recipients for Public Services Grants to the Child Abuse Listening, Interviewing, and Coordination Center (CALICO) for \$22,552; Davis Street Family Resource Center for \$33,812; Service Opportunities for Seniors, Inc. (SOS/Meals On Wheels) for \$33,812; Spectrum Community Services (San Leandro Senior Nutrition Program) for \$24,064; ECHO Housing for \$10,000; and 3) to Approve the FY2022-2023 CDBG Agreement with Rebuilding Together Oakland East Bay (RTO) to administer the City's Minor Home Repair Grant Program for \$100,000 (Approve 6 CDBG Agreements totaling \$224,240)

SUMMARY AND RECOMMENDATIONS

City staff released the Annual Action Plan (Plan) and opened it for public comments on March 22, 2022. The Plan was available for public comment for more than thirty (30) days until June 20, 2022. At the first Public Hearing held on March 21, 2022, there were three speakers who provided comments on the draft document. Upon adoption by the City Council, the City will forward the Plan to the U.S. Department of Housing and Urban Development (HUD).

Staff recommends the City Council hold a second public hearing on the Final FY 2022-2023 HUD Plan. Staff further recommends the City Council review and adopt the resolution approving the FY 2022-2023 Plan and authorize the execution of all related documents by the City Manager and submission of the Plan to HUD.

Staff also recommends the City Council approve a resolution to enter into six (6) grant agreements with the following five (5) nonprofit public service providers and one (1) nonprofit housing provider to administer the City's Minor Home Repair Grant Program:

Public Services

- Child Abuse Listening, Interviewing, and Coordination Center (CALICO) (\$22,552);
- Davis Street Family Resource Center (\$33,812);
- Service Opportunities for Seniors (SOS), Inc. / Meals on Wheels (\$33,812);
- Spectrum Community Services (Senior Nutrition Program) (\$24,064);
- Eden Council for Hope & Opportunity Housing for fair housing services (ECHO Housing) (\$10,000);

Housing

- Rebuilding Together Oakland East Bay (RTO)/City Minor Home Repair Grant Program (\$100,000);

BACKGROUND

The FY 2022-2023 Plan implements the FY 2020-2024 Consolidated Plan strategies by undertaking activities during the program year that utilizes two HUD grants: Community Development Block Grant (CDBG) and the HOME Investment Partnership Program (HOME).

The Draft FY 2022-2023 Plan was presented to the City Council at a public hearing on March 21, 2022. The City Council noted that the plan would be available for public comment for a 30-day period from March 21 through April 25, 2022, but due to delay from HUD in announcing the CDBG allocation nationally, it was instead made available through June 20, 2022. The draft Plan was also available for public review at the City of San Leandro's website: (<https://www.sanleandro.org/292/Housing-Plans>). Staff noted that the second public hearing to review the final Plan would be at the City Council meeting held on May 2, 2022, but due to unforeseen delays by HUD, the meeting was postponed to June 21, 2022.

HUD announced CDBG allocations nationally in May 2022 and the City's FY 2022-2023 allocation is \$747,498. The FY 2022-2023 CDBG entitlement grant funding amount decreased by over 2% from last year's amount (\$763,357 to \$747,498). There are unused general program administration and public services funding from FY 2020-2021 (\$10,846) and FY 2021-2022 (\$129,779) for \$140,625 that will be carried forward with recommended allocations in FY 2022-2023. Finally, there was an unexpected repayment in the amount of \$14,103 for a 1998 CDBG housing rehab loan. Therefore, the total available for CDBG allocation for FY 2022-2023 is \$902,226.

The FY 2022-2023 HOME funding amount increased from \$224,884 to \$245,827, approximately 9.3% from last year's pro-rata share. In addition, there are \$331,319 remaining from FY 2021-2022 funding allocation. HOME funds are available for general administration and affordable housing projects. Administrative overhead dedicated to City staffing is \$14,041. The City will allocate \$549,105 (available in HOME funds) to acquisition and rehabilitation of the Nimitz Motel (Lewelling Shelter) for use as an interim shelter and drop-in navigation center for San Leandro residents experiencing chronic homelessness.

Four of the agreements are part of the CDBG public services budget, while one of the agreements is part of the CDBG housing budget (see below). The ECHO Housing Counseling Agreement is annually funded under the CDBG Administration budget. The City affirmatively furthers fair housing regulations by contracting with ECHO Housing to provide fair housing services.

Public Services:

CALICO - *Child Abuse Intervention Project* - \$22,552

- Provides family support services for children who have suffered abuse.

Davis Street Family Resource Center - *Basic Needs Program* - \$33,812

- Provides food, clothing, childcare, job readiness training, medical and mental health clinics, and social services to low-income people.

SOS/Meals on Wheels - *Meal Delivery to Homebound Seniors* - \$33,812

- Provides support services to low-income seniors.

Spectrum Community Services - *San Leandro Senior Nutrition Program* - \$24,064

- Serves seniors hot, nutritious meals in supportive settings.

General Administration:

ECHO Housing - *Fair Housing Counseling* - \$10,000

- Provides fair housing services.

Housing:

Rebuilding Together Oakland East Bay - *Minor Home Repair Grant Program*- \$100,000

- Provides grants of up to \$5,000 for minor home repairs to low and very low income homeowners, including mobile homes.

Analysis

Listed below is a summary of the proposed FY 2022-2023 CDBG funding allocations by funding category as shown in Attachment D.

Public Services

FY 2022-2023 is the second year of the two-year Community Assistance Program funding cycle (FY 2021-2023), which includes General Fund and CDBG funded public services. On April 28, 2021, the Human Services Commission reviewed and recommended General Fund and CDBG-funded grants under CAP to nonprofit public services providers. The CDBG public hearing is focused only on CDBG -funded public services. CDBG funds available for public services are statutorily capped at 15% of the total CDBG entitlement grant plus prior year program income. In FY 2022-2023, the City received \$14,103 in program income derived from the repayment of a CDBG loan from 1998. Therefore, there is a total of \$114,240 in funding available for Public Services grants in FY 2022-2023 (\$747,498 + \$14,103 x 15%).

Regarding CDBG-funded Public Services grants for FY 2022-2023 (year two of the FY 2021-2023 cycle), staff proposes to continue to fund the same four agencies recommended by the Human Services Commission. Because of the decrease in the FY 2022-2023 CDBG grant, the following public service providers were each reduced by over 3% from their FY 2021-2022 CDBG allocations: CALICO (Child Abuse, Listening, Interviewing, and Coordination) program “Building Resiliency: Family Support Services for Abused Children” \$22,552; Davis Street Family Resource Center “Basic Needs and Family Counseling Services” program \$33,812; Service Opportunities for Seniors (SOS) “Meals on Wheels for San Leandro Seniors” \$33,812; and Spectrum Community Services, Inc. “San Leandro Senior Nutrition Meals Program” \$24,064.

General Administration

For CDBG General Administration, HUD allows entitlement cities and counties up to 20% of the total CDBG allocation. Therefore, a total of \$149,500 (\$747,498 x 20%) is available for the administration of CDBG funded activities including the provision of federally mandated fair housing services. Of the

\$149,500, staff recommends \$139,500 be allocated for CDBG general administration costs. Staff also recommends \$10,000 in CDBG funding to ECHO Housing to continue providing fair housing services to San Leandro residents.

Public Facilities

For Public Facilities improvement projects, staff proposes allocating CDBG funds to the following three projects: 1) Section 108 loan repayment for the Senior Community Center construction, which is an ongoing project based on a HUD repayment schedule (\$173,257), 2) Building Futures for San Leandro Shelter Rehabilitation, Phase II, for \$65,229, and 3) City of San Leandro Human Services Department & Building Futures with Women and Children for the Lewelling Shelter and Drop-in Navigation Center, for \$300,000. Building Futures' Phase II rehabilitation work includes needed building safety, fire and Americans with Disabilities Act (ADA) upgrades for the City's primary emergency shelter for women and children.

Housing

Staff recommends \$100,000 in CDBG funding to the nonprofit Rebuilding Together Oakland/East Bay to continue administering the City's Single-Family Home Rehabilitation Program. The program remains in high demand for lower income San Leandro single family homeowners in need of minor home repairs. This allocation has been decreased by \$50,000 from the amount that Rebuilding Together-Oakland/East Bay received last year in order for the City to fund the high priority Lewelling Shelter and Navigation Center, urgent needs to assist Building Futures to complete the Shelter's renovations and the decrease in the City's FY 2022-2023 CDBG grant.

Current Agency Policies

- FY 2020-2024 Consolidated Plan, adopted by Resolution No. 2020-056 on June 15, 2020.
- Current Council policy is defined by the FY 2020-2024 Consolidated Plan, adopted by City Council on June 15, 2020 to preserve affordable housing for low-income senior residents. Additionally, the 2015-2023 Housing Element Goal 56 provides policies to preserve existing affordable housing. Action 56.01 identifies Home Repair Grants to provide financial support to low-income homeowners to maintain and repair common deferred maintenance issues.

Previous Actions

- A public hearing was held on March 21, 2022, to consider the proposed FY 2022-2023 Annual Action Plan, receive public comments, and acknowledge the 30-day public comment period for the plan.

Applicable General Plan Policies

The HUD Five-Year Consolidated Plan addresses the following goals of the Housing Element of the General Plan:

- Goal 53 - increasing the supply of affordable ownership and rental housing,
- Goal 54 - committing to support the administration of housing programs,
- Goal 55 - providing opportunities for low- and moderate-income SL residents for home

ownership, and

- Goal 56 - preserving and rehabilitating existing affordable owner-occupied and rental housing.

Environmental Review

If and when applicable, National Environmental Protection Act (NEPA) review will be conducted for each project or activity approved by the City Council. Neither NEPA nor CEQA apply to the review and approval of the FY 2022-2023 Annual Action Plan, because there is no foreseeable effect on the environment.

National Environmental Protection Act (NEPA) environmental reviews of each project will be completed prior to the execution of the contracts, or July 1, 2022, whichever is sooner.

Board/Commission Review and Actions

- On April 28, 2021, the Human Services Commission (HSC) met to review and make two-year grant recommendations on the CAP/CDBG RFP for public services in FY 2021-2022 and FY 2022-2023 including the following CDBG-funded nonprofits: CALICO, Davis Street Family Resource Center, SOS/Meals on Wheels and Spectrum Community Services.

Summary of Public Outreach Efforts

In accordance with the City's Citizen Participation Plan, required by the HUD Consolidated Plan regulations, Staff published a notice of tonight's public hearing in the *Daily Review* newspaper on June 10, 2022. A copy of the Draft FY 2022-2023 Plan, as well as public notices with partial translations in Spanish and Chinese, were available for review at the City's website at <https://www.sanleandro.org/292/Housing-Plans>. The 30-day comment period was held from April 2 - June 20, 2022.

Fiscal Impacts

HUD will enter into contract with the City for the grant amount. The grant is paid on a reimbursement basis after expenditure by the City for activities designated in the FY 2022-2023 Plan.

The sum of the six grants is \$224,240. If approved, they will be funded by FY 2022-2023 CDBG monies in the following accounts:

- CALICO - San Leandro Child Abuse Intervention Project (\$22,552) - 165-43-171-5120;
- Davis Street - Basic Needs Program (\$33,812) - 165-43-207-5120;
- SOS/Meals on Wheels - Meal Delivery to Homebound Seniors (\$33,812) - 165-43-224-5120;
- Spectrum Community Services - San Leandro Senior Nutrition Program (\$24,064) - 165-43-210-5120;
- Eden Council for Hope & Opportunity Housing for fair housing services (ECHO Housing) (\$10,000) - 165-43-122-5120.
- Rebuilding Together Oakland East Bay (RTO) (\$100,000) - 165-43-232-5120 for program administration in the amount of \$28,000, and 165-43-232-8501 for housing rehabilitation grants in the amount of \$72,000

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

- Att A - Resolution_HUD FY22-23 AAP Final
 - Att A Exh A - FY22-23 Final HUD Annual Action Plan
- Att B - Resolution_CDBG FY22-23 Public Service Contracts
 - Att B Exh A - CALICO CDBG Agreement
 - Att B Exh B - Davis Street Family Resource Center CDBG Agreement
 - Att B Exh C - SOS/Meals on Wheels CDBG Agreement
 - Att B Exh D - Spectrum Community Services CDBG Agreement
 - Att B Exh E - ECHO Housing Fair Housing CDBG Agreement
- Att C - Resolution_Rebuilding Together Oakland_FY22-23 Minor Home Repair Program
 - Att C Exh A - RTO CDBG Agreement
- Att D - FY22-23 AAP_Final CDBG-HOME Funding
- Att E - Powerpoint Presentation

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