



City of San Leandro

Meeting Date: July 17, 2017

Staff Report

File Number: 17-406

Agenda Section: CONSENT CALENDAR

Agenda Number: 8.I.

TO: City Council

FROM: Chris Zapata
City Manager

BY: Cynthia Battenberg
Community Development Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report to Approve Amendment No.1 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) and Authorizing the City Manager to Execute a Forgivable CDBG Loan Agreement and Related Documents Not to Exceed \$10,000 with the Housing Consortium of the East Bay for Renovations to Luella Fuller Home.

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council approve the following Amendment No. 1 to the FY 2010-2011 U.S. Department of Housing and Urban Development (HUD) Annual Action Plan:

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.

Staff also recommends that the City Council authorize the City Manager to execute a \$10,000 forgivable CDBG loan agreement and related legal documents including a promissory note and deed of trust with the nonprofit Housing Consortium of the East Bay (HCEB) to make needed improvements to Luella Fuller Home and to preserve it as long-term affordable rental housing for persons with developmental disabilities.

BACKGROUND

Under the City's FY 2010-2011 HUD Annual Action Plan, the City originally allocated \$100,000 to BRIDGE Housing for a proposed childcare center located within its affordable rental housing development proposal called The Alameda (now known as Marea Alta). 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 the City's General Fund to BRIDGE Housing in February 2017 to more expeditiously "jump start" the childcare center tenant improvements.

The Housing Consortium of the East Bay (HCEB) is an established 501(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 four 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 FY 2011-2012. 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's 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.

HCEB Loan Agreement

The CDBG loan agreement in an amount not to exceed \$10,000 with HCEB will have the following loan terms: 20-year term, 3% simple interest and annual forgiveness in the amount of \$500. In addition, HCEB will maintain Luella Fuller Home as affordable rental housing to lower income persons who are developmentally disabled for at least 20 years.

Previous Actions

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

On June 5, 2017, the City Council held a public hearing, made 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. No public comments were made at the June 5th Council meeting nor have any been received to date.

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 newspaper 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.

A notice of the 30-day public review period from June 12, 2017 to July 11, 2017 and of public meeting for the July 17th City Council meeting to review the final amendment to the FY 2010-2011 HUD Annual Action Plan was published in the Daily Review newspaper on June 16, 2017.

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.)

Attachments to Staff Report

- Attachment A: Amended FY 2010-2011 HUD Annual Action Plan Summary - Table 1

PREPARED BY: Tom Liao, Deputy Community Development Director

TABLE 1: Amendment No.1 for FY 2010-2011 HUD Annual Action Plan: CDBG and HOME Funds

CDBG FUNDS					TOTALS
FY10-11 CDBG Grant				\$ 785,872	
Estimated Program Income (PI)	PI = Example: Payments of principal and interest on loans made with CDBG funds			\$0	
Unallocated Funds	Carryover from previous years			\$ 10,405	
Total available for projects				\$ 796,277	
PUBLIC SERVICES					
Project Name	Project Description	National Objective	Activity Eligibility	Allocation	
Building Futures with Women and Children (San Leandro Shelter)	Provide shelter & support services to homeless families in crisis. Shelter & support services include counseling, housing placement, parenting classes, & childcare.	Low/Mod Income Clientele	Public service	\$ 21,000	
Davis Street Family Resource Center - Basic Needs Program	Provide food, clothing, childcare, medical clinic, job readiness training and social services for low-income people	Low/Mod Income Clientele	Public service	\$ 35,000	
Davis Street Family Resource Center - Community Counseling Program	Provide urgently needed mental health services to low-income people	Low/Mod Income Clientele	Public service	\$ 10,000	
Rental Assistance Program	Provide short-term assistance for delinquent rent or move-in costs to reduce homelessness and increase availability to long-term housing for low-income tenants	Low/Mod Income Clientele	Public service	\$ 5,000	
Landlord Tenant Counseling	Provide counseling and education to tenants and landlords	Low/Mod Income Clientele	Public service	\$ 15,000	
Pathways Counseling Center's Family Strengthening Program	Provide mental health treatment services for pre-delinquent and delinquent children and their families	Low/Mod Income Clientele	Public service	\$ 10,000	
Community Oriented Prevention Services Program	Provide prevention and intervention services to domestic violence victims	Low/Mod Income Clientele	Public service	\$ 10,940	
Senior Support Services	Provide support services programs for low-income seniors	Low/Mod Income Clientele	Public service	\$ 10,940	
Total Amount Available Under 15% Spending Cap (\$117,880)				\$ 117,880	
GENERAL ADMINISTRATION & PLANNING					
General Administration		N/A	General admin	\$ 136,419	
EveryOne Home Administration	Jurisdictional contribution to county-wide EveryOne Home administration expenses for Continuum of Care and HMIS	N/A	General admin	\$ 6,755	
Fair Housing	Provide fair housing services	N/A	Public service	\$ 14,000	
Total Amount Available Under 20% Spending Cap (\$157,174)				\$157,174	
PUBLIC FACILITIES & IMPROVEMENTS					
Davis Street Family Resource Center Facility Acquisition*	Assist in the acquisition of non-profit current facility	Low Mod Clientele	Public facility	\$ 300,000	
The Alameda Childcare Center	Assist in the construction of tenant-improvements at the childcare facility	Low Mod Clientele	Public facility	\$ -	
ADA Transition Plan for City Facilities	Complete architectural modifications to City facilities (Main Library, Marina Community Ctr, City Hall, South Offices, Police Dept, Marina Park, & Washington Manor Library) to improve ADA accessibility	Low Mod Clientele	Public facility	\$ 90,000	
Housing Consortium of East Bay (Luella Fuller Home Improvements)	Assist with ADA improvements to non-profit affordable rental housing facility for persons with developmental disabilities	Low Mod Clientele	Public facility	\$ 10,000	
Section 108 Loan Repayment	Design development, land acquisition, and improvements for senior center	Low Mod Clientele	Public facility	\$121,222	
Total Amount Available for Public Facilities				\$ 521,222	
Total CDBG Amount Available for Project Expenditures					\$ 796,277
* \$300,000 for DSFRFC represents the \$300,000 pre-approved in FY2009-10, and it is not a new application.					
HOME FUNDS					
FY10-11 HOME Grant				\$ 329,247	
Carry over from Prior Years				\$ 340,601	
Total HOME Amount Available for Project Expenditures					\$ 669,848
Project Name	Project Description	National Objective	Activity Eligibility	Allocation	
Administration	Administrative expenses as per the cap specified in the regulations	N/A		\$ 18,515	
Acquisition, rehabilitation and/or new rental construction projects; Tenant-based rental assistance		N/A	24 CRF 92.205	\$ 651,333	
Total				\$ 669,848	



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Resolution - Council

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TITLE: RESOLUTION Approving Amendment No.1 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); Authorizing the City Manager to Execute All Documents Related to the Submission of the Amended Plan to the HUD; and Authorize the City Manager to Execute a Forgivable CDBG Loan Agreement and Related Documents Not to Exceed \$10,000 with the Housing Consortium of the East Bay for Renovations to Luella Fuller Home.

WHEREAS, the Federal Government has made Community Development Block Grant (CDBG) funding available to local communities to meet local community development objectives; and

WHEREAS, the City Council approved the FY 2010-2014 Five Year Consolidated Plan and FY 2010-2011 Annual Action Plan in April 2010; and

WHEREAS, the Five-Year Consolidated Plans and the Annual Action Plans may be amended, and the substantial amendments to the Plans are subject to the citizen participation process in accordance with the City's HUD-approved Citizen Participation Plan (CPP); and

WHEREAS, City staff followed and complied with the Citizen Participation Plan by making the amendments to the FY 2010-2011 Action Plan available to the public for comment; and

WHEREAS, the City Manager recommends Amendment No.1 to the FY 2010-2011 CDBG Action Plan to 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; and 3) add ADA Transition Plan and allocate the other \$90,000 in CDBG funds for this project.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

- 1) That said amendments to the FY 2010-2011 HUD Action Plan are hereby approved;
and
- 2) City Manager is authorized to submit and execute all documents related to the submission of the amended FY 2010-2011 Action Plan to HUD;
- 3) City Manager is authorized to execute a CDBG forgivable loan agreement and related legal documents in an amount not to exceed \$10,000 with the nonprofit Housing Consortium of the East Bay.