



City of San Leandro

Meeting Date: May 3, 2021

Staff Report

File Number: 21-249

Agenda Section: PUBLIC HEARINGS

Agenda Number: 5.A.

TO: City Council

FROM: Fran Robustelli
Interim City Manager

BY: Tom Liao
Community Development Director

FINANCE REVIEW: Susan Hsieh
Finance Director

TITLE: Staff Report for City of San Leandro City Council Public Hearing and Resolution to Approve the U.S. Department of Housing and Urban Development (HUD) Final FY 2021-2022 Annual Action Plan

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council hold a second public hearing and take public comments on the Final FY 2021-2022 U.S. Department of Housing and Urban Development (HUD) Annual Action Plan. Staff further recommends that the City Council review and adopt the resolution approving the FY 2021-2022 Annual Action Plan (Plan) and authorize the execution of all related documents by the City Manager and submission of the Plan to HUD.

City staff released the Plan and requested public comments on April 2, 2021. The Plan was available for public comment for thirty (30) days until May 2, 2021. At the first Public Hearing held on April 19, 2021, there were three speakers who provided public comments on this document. Upon adoption by the City Council, the City will forward the Plan to HUD.

BACKGROUND

The FY 2021-2022 Annual Action Plan implements the FY 2020-2024 Consolidated Plan strategies by undertaking activities during the program year that utilize two HUD grants: Community Development Block Grant (CDBG) and the HOME Investment Partnership Program (HOME).

The Draft FY 2021-2022 Annual Action Plan was presented to the City Council at a public hearing on April 19, 2021. The City Council noted that the plan had been available for public comment for a 30-day period from April 2 through May 2, 2021. The draft plan was available for public review at the City of San Leandro website: (<https://www.sanleandro.org/depts/cd/housing/plans.asp>). The City Council also scheduled the second public hearing to review the final Plan for May 3, 2021.

HUD announced CDBG allocations nationally in February 2021. The FY 2021-2022 CDBG entitlement grant funding amount decreased by less than 1% from last year's amount (from \$768,193 to \$763,357). There was \$408,811 in unallocated funding in the FY 2020-2021 Annual Action Plan adopted by City Council on June 15, 2020 (Resolution 2020-056). Additionally, there are unused general program administration and public services funding from FY 2019-2020 in the amount of \$37,830 that will be carried forward with recommended allocations in FY 2021-2022. Finally, there was an unexpected repayment in the amount of \$25,000 for a 1992 CDBG loan. Therefore, the total available for CDBG allocation for FY 2021-2022 is \$1,234,998.

The FY 2021-2022 HOME funding amount increased 1.3% from last year's pro-rata share from \$221,998 to \$224,884. In addition, there is \$132,271 remaining from the FY 2019-2020 funding allocation. HOME funds are available for general administration and affordable housing projects. On April 8, 2021 HUD announced that the Alameda County HOME consortium will receive an additional HOME allocation through the American Rescue Plan. The amount allocated to Alameda County cities including San Leandro is still to be determined. Administrative costs primarily dedicated to City of San Leandro staffing is \$12,918 for FY 2021-2022. Not including the HOME-ARP allocation, the City's HOME allocation available to be committed to an affordable housing development is \$344,237 and is yet to be committed.

Analysis

Below is a summary of the proposed FY 2021-2022 CDBG funding allocations by funding category as shown in Attachment A.

Public Services

At its April 28, 2021 meeting, the City's Human Services Commission (HSC) reviewed the applications for both the City's Community Assistance Program (CAP) and CDBG-funded Public Services for FY 2021-2023. CAP public services are funded from an annual allocation of City General Fund monies (approximately \$150,000 for FY 2021-2022), while CDBG funds available for public services are statutorily capped at 15% of the total CDBG entitlement grant plus prior year program income. In FY 2021-2022 the City received \$25,000 in program income derived from the repayment of a CDBG loan from 1992. Therefore, there is a total of \$118,254 in funding available for Public Services grants in FY 2021-2022 ($\$763,357 + \$25,000 \times 15\%$).

The Human Services Commission also heard presentations from CAP/CDBG applicants. At that meeting, the Recreation and Human Services Department staff provided the Human Services Commission recommendations for CAP and the Housing Services Division (under the Community Development Department) provided recommendations for CDBG funded grant recipients. The Housing Division recommendations are based on past performance of existing recipients and priority needs identified in both the City Human Services Gap Analysis (October 2017) and the recently updated HUD Five-Year Consolidated Plan for FY 2020-2024. HUD is only concerned with CDBG-funded activities in the City's Annual Action Plan; therefore, CAP funded public service programs are not included in this staff report and will be brought forward for City Council approval in June 2021.

For CDBG-funded Public Services, staff recommended four agencies to the HSC. All four of these agencies have received funding in the last two fiscal years, met their contractual obligations to the City with high performance outcomes, and serve priority needs under the City's HUD Five Year Consolidated Plan. The four agencies that are recommended to receive CDBG FY 2021-2022 Public Services grants are: CALICO (Child Abuse, Listening, Interviewing, and Coordination) program "Building Resiliency: Family Support Services for Abused Children" \$23,345; Davis Street Family Resource Center "Basic Needs and Family Counseling Services" program \$45,566; Service Opportunities for Seniors (SOS) "Meals on Wheels for San Leandro Seniors" \$30,733; and Spectrum Community Services, Inc. "San Leandro Senior Nutrition Meals Program" \$18,570.

(Note: This staff report was finalized prior to the April 28 Human Services Commission meeting. If the HSC approves CDBG-funded public services recommendations that differ substantially from what staff recommends above, staff will publicly present the updated HSC CDBG-funded public service recommendations to the City Council at the May 3 public hearing.)

General Administration

For CDBG General Administration, HUD allows entitlement cities and counties up to 20% of the total CDBG allocation. Therefore, a total of \$152,671 ($\$763,357 \times 20\%$) is available for the administration of CDBG funded activities including the provision of federally mandated fair housing services. Of the \$152,671, staff recommends \$142,671 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 two ongoing projects: 1) Section 108 loan repayment for the Senior Community Center construction which is based on a HUD repayment schedule (\$178,246) and 2) the Washington Ave Corridor Americans with Disabilities Act (ADA) Improvements in the amount of \$485,828.

Housing

Staff recommends \$150,000 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 is the same increased amount that Rebuilding Together-Oakland/East Bay received last year in recognition of their efficiency and responsive service operating this program.

Finally, staff recommends an allocation of \$150,000 for lead-based paint assessments for properties that received Emergency Rental Assistance Payments (ERAP). Staff will work with other area jurisdictions on a joint and cost-sharing contract with the Alameda County Healthy Homes Department to carry-out lead-based paint assessments and, if necessary, remediations. Staff was alerted by HUD that for ERAP recipient properties that received over 3 months of assistance, the City must affirm that they are free of lead-based paint. There are an estimated 75

rental units that were approved for ERAP grants that will need to be evaluated for lead-based paint and, if necessary, remediated.

Current Agency Policies

- FY 2020-2024 Consolidated Plan, adopted by Resolution No. 2020-056 on June 15, 2020.

Previous Actions

- A public hearing was held on April 19, 2021, to consider the proposed FY 2021-2022 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 General Plan Housing Element:

- 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 2021-2022 Annual Action Plan, because there is no foreseeable effect on the environment.

Board/Commission Review and Actions

- On April 28, 2021, the Human Services Commission met to review and make two-year recommendations on the public services funding to be allocated in FY 2021-2022 and FY 2022-2023.

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 the public hearing in the *Daily Review* newspaper on April 2, 2020. A copy of the Draft FY 2021-2022 Annual Action 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/depts/cd/housing/plans.asp>. The 30-day comment period was held from April 2 - May 3, 2021. The second public hearing will be held May 3, 2021, at which time the

City Council will consider the final Plan.

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 2021-2022 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 2021-2022 proposed activities and funding amounts

Attachment to Related Legislative File

- Final FY 2021-2022 Annual Action Plan

PREPARED BY: Maryann Sargent, Senior Housing Specialist, Community Development Department

FINAL FY 2021-2022 HUD Annual Action Plan: CDBG and HOME Funds

CDBG FUNDS

				TOTALS
FY21-22 CDBG Grant				\$ 763,357
Carryover (unallocated FY 2020-2021)				\$ 408,811
Carryover (unspent in FY 2019-2020)				\$ 37,830
Program Income FY 2020-2021				\$ 25,000
Total CDBG Funding Available for Project Expenditures:				\$ 1,234,998

Project Name	Project Description	National Objective	Activity Eligibility	Allocation
PUBLIC SERVICES				
CALICO - San Leandro Child Abuse Intervention Project	Provide family support services for children who have suffered abuse.	Low/Mod Income Clientele	Public service	\$ 23,345
Davis Street Family Resource Center - Basic Needs Program	Provide food, clothing, childcare, job readiness training, medical clinic, and social services for low-income people.	Low/Mod Income Clientele	Public service	\$ 45,566
SOS / Meals on Wheels - Meal Delivery Service to Homebound Seniors	Provide support services programs for low-income seniors.	Low/Mod Income Clientele	Public service	\$ 30,773
Spectrum Community Services - San Leandro Senior Nutrition Program	Provide seniors with hot, nutritious meals in supportive settings.	Low/Mod Income Clientele	Public service	\$ 18,570
Total Amount Available (Capped at 15% of total allocation+program income)				\$ 118,254

GENERAL ADMINISTRATION & PLANNING

General Administration		N/A	General admin	\$ 142,671
Fair Housing	Provide fair housing services	N/A	Public service	\$ 10,000
Total Amount Available Under 20% Spending Cap				\$152,671

PUBLIC FACILITIES & IMPROVEMENTS

Mandatory Section 108 Loan Repayment	Repay Section 108 Loan used to construct new Senior Center in accordance with Repayment Schedule provided by HUD	Low/Mod Income Clientele	Public facility	\$ 178,246
Washington Avenue Corridor ADA Improvements	ADA improvements on Washington Avenue from West Juana to Castro Street that will include replacing all curb ramps and creating ADA compliant crosswalks at all intersections in the project area.	Low/Mod Income Clientele	Public facility	\$ 485,828
Total Amount Available for Public Facilities				\$ 664,074

HOUSING ACTIVITIES

Single-Family Housing Rehabilitation Program	Provide Grants for minor home repairs to low- and very low-income homeowners	Low/Mod Income Clientele	Housing	\$ 150,000
Lead-Based Paint Assessment of ERAP Program Properties	City will partner with Alameda County Healthy Homes and area jurisdictions to conduct Lead-Based Paint Assessments of ERAP Program Properties with Demonstrated need.	Low/Mod Income Clientele	Housing	\$ 150,000
Total Amount Available for Housing Activities				\$ 300,000

Total CDBG Funding Amount Proposed for Project Expenditures: \$ 1,234,999

HOME FUNDS

FY 21-22 HOME Grant				\$ 224,884
Admin Overhead Retained by Alameda County HCD				\$ (12,918)
Carry over from Prior Years				\$ 132,271

Total HOME Funding Available for Project Expenditures: \$ 344,237

Project Name	Project Description	National Objective	Activity Eligibility	Allocation
Administration	Administrative expenses as per the cap specified in the regulations	N/A		\$ 12,918
Acquisition/rehabilitation/new construction of rental housing & Tenant-based rental assistance		N/A	24 CRF 92.205	\$ 331,319

Total HOME Funding Amount Proposed for Project Expenditures: \$ 344,237



City of San Leandro

Meeting Date: May 3, 2021

Resolution - Council

File Number: 21-250

Agenda Section: PUBLIC HEARINGS

Agenda Number:

TO: City Council

FROM: Fran Robustelli
Interim City Manager

BY: Tom Liao
Community Development Director

FINANCE REVIEW: Susan Hsieh
Finance Director

TITLE: RESOLUTION of the City of San Leandro City Council Approving the City's U.S. Department of Housing and Urban Development (HUD) Final FY 2021-2022 Annual Action Plan (implements the Housing and Community Development Strategies of the FY 2020-2024 Consolidated Plan) and Authorizes the City Manager to Execute all Related Grant Documents identified in the FY 2021-2022 Annual Action Plan.

WHEREAS, through provisions of the Housing and Community Development Act and the National Affordable Housing Act (the "Acts"), the federal government has made Community Development Block Grant (CDBG) funding available to meet local community development objectives; and

WHEREAS, the City of San Leandro adopted, by Resolution No. 2020-056 on June 15, 2020, the FY 2020-2024 Consolidated Plan to implement the goals identified in the Acts; and

WHEREAS, an Annual Action Plan (referred to hereinafter as "the Plan") has been prepared reflecting the activities that the City proposes to fund and implement during FY 2021-2022, a copy of which is attached hereto; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) published the FY 2021-2022 Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) entitlement grant allocations on February 25, 2021; and

WHEREAS, the City of San Leandro held at least two public hearings, solicited public comments for thirty days by publishing a summary of the Plan in the newspaper and by making the Plan available for review on the City's website in compliance with the Citizen Participation Plan under the current Alameda County Shelter-in-Place order in response to the COVID-19 pandemic; and

WHEREAS, all public comments received, if any, were considered in the contents of the Plan; and

WHEREAS, the City Manager recommends execution and submission of said Plan with

Certifications as attached.

NOW THEREFORE, the City Council of the City of San Leandro hereby **RESOLVES** that:

- The attached FY 2021-2022 Annual Action Plan, including requisite Certifications, is approved to meet the HUD plan submittal deadline of May 14, 2021;
- The City Manager is authorized to execute and submit all related documents to the FY 2021-2022 Annual Action Plan on behalf of the City of San Leandro to the U.S. Department of Housing and Urban Development (HUD).