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Title: ***RESOLUTION - Adopting Substantial Amendment 2019-04 to the 2019-2020 Annual Action Plan and Second COVID-19 Amendment to the Citizen Participation Plan to submit a request to the U.S. Department of Housing and Urban Development (HUD) to reprogram \$7.11 million HOME Investment Partnerships (HOME) and Community Development Block Grant (CDBG) funds for the development of affordable housing in areas of opportunity and authorizing the City Manager to sign all necessary implementing documents (Subject to Mayor's Veto)

Sponsors: Planning and Development Department

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Attachments: 1. Resolution, 2. Summary, 3. Public Draft of Substantial Amendment No. 2019-04 and Second COVID-19 Amendment to the Citizen Participation Plan

Date	Ver.	Action By	Action	Result
6/25/2020	1	City Council	adopted	

REPORT TO THE CITY COUNCIL

June 25, 2020

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SUBJECT

***RESOLUTION - Adopting Substantial Amendment 2019-04 to the 2019-2020 Annual Action Plan and Second COVID-19 Amendment to the Citizen Participation Plan to submit a request to the U.S. Department of Housing and Urban Development (HUD) to reprogram \$7.11 million HOME Investment Partnerships (HOME) and Community Development Block Grant (CDBG) funds for the development

of affordable housing in areas of opportunity and authorizing the City Manager to sign all necessary implementing documents (Subject to Mayor's Veto)

RECOMMENDATION

Staff recommends the City Council adopt Substantial Amendment 2019-04 to the 2019-2020 Annual Action Plan and authorize the City Manager to sign all implementing documents required by HUD as approved to form by the City Attorney.

EXECUTIVE SUMMARY

The reprogramming of \$7.11 million in HUD entitlement funds has been identified as a key source of funds for the development of affordable housing in areas of opportunity. The proposed reprogramming request includes \$5,366,900 of HOME program income and a \$1,750,000 payment to the City's CDBG letter of credit.

BACKGROUND

The City of Fresno (City) is a federal entitlement community that receives an annual allocation of grant funds from the U.S. Department of Housing and Urban Development (HUD) for the following entitlement programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships (HOME)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)

As an entitlement community, the City is required to prepare an Annual Action Plan detailing the uses of entitlement funds to meet its affordable housing and community development goals as outlined in its Consolidated Plan, and to adopt and follow a Citizen Participation Plan in determining the priorities and projects to be included in the Consolidated Plan and Annual Action Plans.

As part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed by the U.S. Congress and signed into law by the President on March 27, 2020, HUD has issued guidance to allow for remote citizen participation and shortened public comment periods for entitlement funds.

The City is proposing to make a Substantial Amendment to its Program Year 2019 Annual Action Plan to reprogram \$7,116,900 of HUD entitlement funds for affordable housing development and rehabilitation; and to amend its adopted Citizen Participation Plan to add provisions for citizen participation requirements associated with entitlement funds being programmed or reprogrammed during a declared state of emergency when physical locations such as municipal buildings are inaccessible due to federal, state, or local orders.

The source of the reprogrammed funds is \$5,366,900 received as HOME program income, and a \$1,750,000 payment to the City's CDBG letter of Credit from funds currently appropriated for affordable housing.

Under the proposed amendment, the City will program:

- \$750,000 for disposition of the City-owned property located at Willow and Byrd for affordable single family homeownership in partnership with a City-approved CHDO for construction of at least 60 homes. 100% of the homes will be affordable to households at or below 80% of

median family income;

- \$1,000,000 for acquisition and disposition of land designated in the Housing Element as extremely, very, and low income parcels in areas of opportunity and;
- \$5,366,900 in the form of Development Agreements to create affordable rental units on those parcels. At least 51% of the units will be affordable to households at or below 80% of median family income.

The second amendment to the City's 2015-2019 Citizen Participation Plan allows for a 5-day public comment period for Substantial Amendments during the COVID-19 declared state of emergency.

Citizen Participation

- June 16, 2020: Public Notice distributed via Fresno Bee
- June 16, 2020: English and Spanish language public notice distributed on social media, through HCDD email distribution list, and City Clerk website
- Week of June 16, 2020: Public notice read in Hmong on KBIF radio
- June 18, 2020: Draft documents published to HCDD website and City Clerk website for 5-day public comment period
- June 18, 2020: Availability of draft documents communicated to HCDD email distribution list
- June 24, 2020: End of 5-day public comment period

Public comments received and City responses will be presented to the City Council prior to Council consideration.

ENVIRONMENTAL FINDINGS

This is not a project for purposes of CEQA pursuant to CEQA guidelines Section 15378. These plans, strategies and studies are an exempt activity under HUD NEPA Requirements (24 CFR 58.34 (1)).

LOCAL PREFERENCE

Local preference is not applicable because of federal funding.

FISCAL IMPACT

The \$7,116,900 of proposed programmed funds includes \$5,366,900 of program income received by the HOME program which will allow the City to expend these funds for the development of additional affordable housing; and \$1,750,000 of general fund appropriations previously approved for affordable housing development.

Attachments: Resolution

Summary

Public Draft of Substantial Amendment No. 2019-04 and Second COVID-19 Amendment to the Citizen Participation Plan