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Title: Actions pertaining to the 2022-2023 Annual Action Plan:
 1. HEARING to obtain public comments regarding the Draft 2022-2023 Annual Action Plan; and
 2. ***RESOLUTION - Adopting the 2022-2023 Annual Action Plan; approving submission to the U.S. Department of Housing and Urban Development (HUD) for application of \$7,535,331.93 Community Development Block Grant (CDBG), \$3,694,681 HOME Investment Partnerships (HOME), \$606,586 Emergency Solutions Grant (ESG), and \$875,943 Housing Opportunities for Persons with AIDS/HIV (HOPWA) program funds; providing for subrecipient agreements; and Authorizing the City Manager to sign all implementing documents required by HUD as approved to form by the City Attorney (Subject to Mayor's veto)

Sponsors: Planning and Development Department

Indexes:

Code sections:

Attachments: 1. Resolution, 2. 2022-2023 Annual Action Plan for HUD CPD Entitlement Grant Funding - Public Review, 3. Public Comments and Responses, 4. Proposed Funding Allocation Summary, 5. Applications for Funding, 6. Subrecipient Agreements

Date	Ver.	Action By	Action	Result
4/28/2022	1	City Council		TABLED

REPORT TO THE CITY COUNCIL

FROM: JENNIFER CLARK, Director
Planning and Development Department

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BY: BRANDON SISK, Senior Management Analyst
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SUBJECT

Actions pertaining to the 2022-2023 Annual Action Plan:
 1. HEARING to obtain public comments regarding the Draft 2022-2023 Annual Action Plan; and
 2. ***RESOLUTION - Adopting the 2022-2023 Annual Action Plan; approving submission to the U.S. Department of Housing and Urban Development (HUD) for application of \$7,535,331.93 Community Development Block Grant (CDBG), \$3,694,681 HOME Investment Partnerships (HOME), \$606,586 Emergency Solutions Grant (ESG), and \$875,943 Housing Opportunities for Persons with AIDS/HIV (HOPWA) program funds; providing for subrecipient agreements; and Authorizing the City Manager to sign all implementing documents required by HUD as

approved to form by the City Attorney (Subject to Mayor's veto)

RECOMMENDATIONS

Staff recommends the City Council conduct a public hearing and thereafter adopt the 2022-2023 Annual Action Plan in application to the HUD CPD entitlement grant programs including CDBG, HOME, ESG, and HOPWA; and authorize the City Manager to sign all reasonably required implementing documents, instruments, and funding agreements required by HUD as approved to form by the City Attorney.

EXECUTIVE SUMMARY

City staff implemented a citizen engagement, planning, and application process beginning in January 2022 to develop the 2022-2023 Annual Action Plan. The plan will be deemed approved 45 days after HUD receives the submission, unless HUD notifies the City before that date that the plans are disapproved. The City will submit the plans as early as feasible following City Council adoption to allow for timely approval at the start of Fiscal Year 2023.

BACKGROUND

2022-2023 Annual Action Plan Process

In order to qualify for and receive federal grant funding through HUD, the City is required to prepare an Annual Action Plan detailing the projects proposed for funding through CDBG, HOME, ESG, and HOPWA programs, and the benefits to low- and moderate-income persons. The 2022-2023 Annual Action Plan covers the period from July 1, 2022 through June 30, 2023, and is the third year of the five-year Consolidated Plan. HUD requires that the Annual Action Plan be consistent with the City's five-year Consolidated Plan and incorporate input from the community needs assessment conducted annually in support of each year's plan.

To support these requirements, the City conducted four virtual community needs workshops to introduce residents to the goals of the Consolidated Plan and Annual Action Plan, and to request specific input on projects and activities to be considered for funding. A community needs public hearing was conducted at the January 27, 2022, meeting of the City Council. Additionally, a community needs questionnaire was distributed to all organizations who had participated in the development of the Consolidated Plan or Annual Action Plan over the past three years. Spanish and Hmong interpretation was provided at all meetings and hearings.

Following the community needs assessment, staff prepared a Consolidated Notice of Funding Available (NOFA) to request applications from qualifying non-profit organizations, units of local government, and City departments. The activities requested in the NOFA were selected to meet the goals of the five-year Consolidated Plan, and additional consideration was given to applications that addressed specific needs identified during the annual needs assessment. Three technical assistance workshops were held to aide non-profits in applying for the NOFA. Staff evaluated the applications to ensure eligibility with the federal funding sources and scored the applications according to the evaluation criteria published with the NOFA. The results were reviewed with an ad hoc committee of the City Council, and the draft funding allocation was presented in the Annual Action Plan for a 30-day public review from March 18, 2022 through April 19, 2022. Public comments may be found in the 2022-2023 Annual Action Plan Appendix B: Citizen Input and Public Comment. At the time of drafting the staff report, the 30-day public comment period had not concluded, and the April 28, 2022, City

Council public hearing had not occurred. A summary of comments received by the City through the April 28, 2022, public hearing will be considered and included in the final 2022-2023 Annual Action Plan submitted to HUD.

Citizen Participation

A list of meeting, public review, and key notice dates is provided below. An exhaustive list of promotional and outreach activities is provided in the appendices of the 2022-2023 Annual Action Plan.

- January 7, 2022 - Notice of upcoming meetings and planning process published in the Fresno Bee, City Clerk website, Housing and Community Development Division (HCDD) website, emailed to a list of 500+ persons who have requested to receive updates from HCDD, and posted to social media
- January 7, 2022 through January 15, 2022 - Workshops and public hearings promoted on social media; through digital flyers distributed to Fresno and Central Unified school district students and parents; on media calendars maintained by KMPH, KFSN, and YourCentralValley; and through email
- January 19, 20, 24, & 25 - Virtual community needs workshops conducted on Zoom platform
- January 27, 2022 - Community needs public hearing conducted at City Council meeting
- February 4, 2022 -NOFA posted to request applications for Homeless & Homelessness Prevention, Community Services, and Infrastructure & Facility Improvement activities
- February 15, 16, & 17 - NOFA technical assistance webinars held; recordings published to HCDD website
- March 18, 2022 - Draft 2022-2023 Annual Action Plan published for public review and comment to the website of the City Clerk and HCDD; availability was promoted on social media, by email, and it was distributed to community centers and public libraries
- April 19, 2022 - End of written public comment period
- April 28, 2022 - City Council Annual Action Plan public hearing & consideration
- May 15, 2022 - Annual Action Plan due to HUD
- May 2022 - Target release of Affordable Housing Development and Substantial Rehabilitation NOFA
- May 2022 - Target release of Fair Housing Services NOFA

2022-2023 Entitlement Program Allocation

At the time of drafting the staff report, allocations for Program Year 2022-2023 had not been announced by HUD. Below is a summary of the estimates the City anticipates receiving from HUD. Once allocations are announced, staff will make funding adjustments accordingly.

Program	2021-2022	2022-2023	Difference
CDBG	\$7,289,218	\$7,535,331.93	\$246,113.93
HOME	\$4,095,006	\$3,694,681	\$(400,325)
ESG	\$606,586	\$606,586	\$0
HOPWA	\$714,258	\$875,943	\$161,685
Totals	\$12,705,068 \$12,712,542.93 \$7,474.93		

Entitlement funds primarily address housing and community development needs of low-and moderate-income households, and as such the limited resources are prioritized to meet the greatest need. Activities that are multi-year in nature such as planning activities, infrastructure improvements, and rehabilitation programs that take more than one year to complete may be carried over into the next fiscal year. It is important to note that for timeliness reasons, it is essential that projects utilizing entitlement funds be implemented efficiently and projects that can expend the grant funds within the Program Year are prioritized for funding.

The City received 15 applications for funding. Staff reviewed the applications according to the evaluation criteria published with the NOFA. The activities recommended for funding in the 2022-2023 Annual Action Plan include investments in a street and sidewalk improvement project as well as investments in public services administered by the City and by local non-profit agencies. A summary of the activities to be funded can be found in the attached Annual Action Plan under AP-35, Project Summary.

Public and Community Services Applications

Of the 15 total applications, the City received six applications under the Public and Community Services NOFA. One application was deemed ineligible, two were from the PARCS Department for its After School and Senior Enrichment Programs, and three were from non-profits for various projects. The total amount of eligible requests received was less than the award available under the Public and Community Services NOFA. As such staff proposes to fully fund the PARCS Department After School and Senior Enrichment Programs; Boys & Girls Clubs After School Programs at the East, West, and Central Clubs; Chinatown Fresno Foundation's Business Visibility Initiative of the Make Time Business School; and Valley Caregiver Resource Center's OASIS Adult Day Care Relaunch Program. The remaining balance of \$49,679 from the Public and Community Services allocation was moved to the Affordable Housing Development-Land Acquisition activity.

Homeless and Homelessness Prevention Applications

The City received six applications under the Homeless and Homelessness Prevention NOFA. Under three projects (HMIS, Homeless Prevention, and HOPWA) the City received only one response per category and recommends funding each applicant as follows: (1) ESG funds to Fresno Housing Authority for HMIS, (2) ESG funds to WestCare California, Inc. for Homeless Prevention, and (3) HOPWA funds to WestCare California, Inc.

Under ESG Emergency Shelter/Street Outreach, which has a statutory cap of 60% of the City's total ESG grant, the City received two applications: one from Marjaree Mason Center and one from Poverello House. After both applications received similar NOFA scores, staff followed up with the applicants with additional questions. It was determined that the Poverello proposal was primarily to fund street outreach workers central to addressing community homelessness, whereas the Marjaree Mason Center proposal consisted of partially funding the administrative expenses for two staff, fully funding two full-time staff, and partially funding telephone expenses for their 24-hour hotline. Based upon the determination that the Poverello House's proposal would have greater direct impact upon the needs of the community, staff weighted the Poverello House Outreach application higher. Therefore, the proposed funding includes awarding the Emergency Shelter/Street Outreach funds available to the Poverello House.

Finally, the City received two proposals for ESG Rapid Rehousing: one from Poverello House and one from WestCare California, Inc which received the highest NOFA score. As such, it is

recommended that WestCare California, Inc. be awarded its full reward and the remaining funds available under Rapid Rehousing go to the Poverello House.

Public Infrastructure and City-Owned Facilities Improvements

The City received three applications under Public Infrastructure and City-Owned Facility Improvements from the Department of Public Works (DPW) for street improvement projects. Given the timelines for two of the projects, which had a construction start date of summer 2023, the City is recommending to fund one project that will be completed within the 2022-2023 Program Year and request that DPW resubmit applications for the other two projects for the 2023-2024 Program Year. This will help ensure that the City can make its May 2023 timeliness test in which it must have a balance no greater than 1.5 times its annual grant remaining in the Line of Credit. The balance of funds available under the Public Infrastructure and City-Owned Facility Improvements in an amount of \$3,906,260.03 was moved to the Affordable Housing Development-Land Acquisition activity.

Upon adoption of the resolution, the City will use the subrecipient agreements as approved to form by the City Attorney for activities approved for funding by this resolution.

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 the use of federal funding.

FISCAL IMPACT

Adoption of the 2022-2023 Annual Action Plan is required to allow the City to receive an estimated \$12,712,542.93 of new entitlement funding.

Attachments: Resolution

- 2022-2023 Annual Action Plan for HUD CPD Entitlement Grant Funding - Public Review
- Public Comments and Responses
- Proposed Funding Allocation Summary
- Applications for Funding
- Subrecipient Agreements