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Title: RESOLUTION - Adopting Substantial Amendment No. 2015-006 to the FY 2015-2016 Annual Action Plan; approving submission to the U.S. Department of Housing and Urban Development (HUD) for reprogramming 3.5 million of Community Development Block Grant (CDBG) Program Funds; providing for Subrecipient Agreements; and authorizing the City Manager to sign all implementing documents required by HUD approved as to form by the City Attorney.

Sponsors: Planning and Development Department

Indexes:

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Attachments: 1. Substantial Amendment 2015-006 Resolution, 2. Substantial Amendment 2015-006 Public Review Draft, 3. SUBRECIPIENT AGREEMENT 2016, 4. Powerpoint Presentation

| Date | Ver. | Action By | Action | Result |
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REPORT TO THE HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

Item F-1

May 11, 2016

FROM: JENNIFER CLARK, Director
Development and Resource Management

BY: KELLI FURTADO, Assistant Director
Development and Resource Management Department

SUBJECT

RESOLUTION - Adopting Substantial Amendment No. 2015-006 to the FY 2015-2016 Annual Action Plan; approving submission to the U.S. Department of Housing and Urban Development (HUD) for reprogramming 3.5 million of Community Development Block Grant (CDBG) Program Funds; providing for Subrecipient Agreements; and authorizing the City Manager to sign all implementing documents required by HUD approved as to form by the City Attorney.

RECOMMENDATIONS

The Department of Development and Resource Management recommends the City Council approve

Substantial Amendment No. 2015-006; and authorize the City Manager to sign all implementing documents and subrecipient agreements required by HUD as approved to form by the City Attorney.

EXECUTIVE SUMMARY

In 2015, staff began a reconciliation process that included the identification of funds that could be reprogrammed. This cleanup and reconciliation process resulted in \$3.5 million in un-programmed funds from prior fiscal years and the balance of closed activities that can be reprogrammed for eligible CDBG activities. In order to reprogram these funds, HUD requires a Substantial Amendment to the PY 2015, FY 2015-2016 Annual Action Plan (Substantial Amendment).

BACKGROUND

In 2015, staff began a reconciliation process that included the identification of reprogrammed funding to be allocated to community facilities and programs. This includes un-programmed funds from prior fiscal years and the balance of closed activities. During the June 2015 budget hearings, staff indicated to the City Council that funds were in the process of being identified for reprogramming. At that time, several Councilmembers gave staff direction that special consideration be provided for outside agencies that submitted applications in the spring, but were not funded. There were several additional requests expressed at that time, including the Almy Park project, utility connections for Herndontown, infrastructure needs in Highway City, and other requests.

The planning process involves conducting a public hearing on the Draft Substantial Amendment and providing recommendations to the City Council. The table below summarizes the citizen participation component of the planning process. It is important to note that the City provided notices in three languages, English, Hmong and Spanish and advertised in the Fresno Bee. Documents were also distributed electronically to the e-mail distribution lists used for the Analysis of Impediments and the Annual Action Plan.

| Citizen Participation | Date |
|---|----------------|
| HCDC scoring of nonprofit capital requests in anticipation that additional funds would be available | March 14, 2016 |
| Public Notice Published in Fresno Bee | April 7, 2016 |
| Electronic Distribution | April 7, 2016 |
| Draft Substantial Amendment published - Minimum 30 day public review | April 7, 2016 |
| Public Review Closed | May 9, 2016 |
| HCDC Meeting to consider Draft Substantial Amendment | March 11, 2016 |
| City Council Meeting to consider Substantial Amendment | March 12, 2016 |

The cleanup and reconciliation process has resulted in \$3.5 million of funds that can be reprogrammed for eligible CDBG activities. Staff is recommending the following projects be included in the Substantial Amendment:

| Description | Amount |
|------------------------|---------------|
| Housing Rehabilitation | \$600,000 |

| | |
|---|--------------------|
| In-fill Affordable Housing Development | \$600,000 |
| Roy & Almy Street Improvements | \$600,000 |
| Herdontown Sewer Improvements | \$250,000 |
| Habitat Neighborhood Infrastructure | \$175,000 |
| WestCare Facility Improvements (Scored by HCDC 3/14/16) | \$375,000 |
| Marjaree Mason Facility Improvements (Scored by HCDC 3/14/16) | \$150,000 |
| Mosqueda Splash Park | \$500,000 |
| Park Improvements (Learner Pool and Swimming Pool Rehabilitation) – Fink White – Frank H Ball – Pinedale – Quigley | \$250,000 |
| Total | \$3,500,000 |

In order to reprogram prior year funding, a Substantial Amendment is required by HUD. The City's Housing and Community Development commission (HCDC) is scheduled to make a recommendation to the City Council at their next scheduled meeting on May 11, 2106, on the Substantial Amendment. Because this is the evening prior to the City Council item, a verbal update can be provided by staff to the City Council on May 12, 2016. Once adopted by the City Council, the Substantial Amendment will be submitted to HUD for approval, which takes up to 45 days.

ENVIRONMENTAL FINDINGS

This is not a project for purposes of CEQA pursuant to CEQA Guidelines Section 15378.

LOCAL PREFERENCE

Local preference is not applicable because of the use of federal funding.

FISCAL IMPACT

Adoption of Substantial Amendment No. 2015-006 of the Annual Action Plan will allow the City to reprogram the \$3.5 million of entitlement funding.

Attachments:

- Exhibit A - Resolution
- Exhibit B - Substantial Amendment
- Exhibit C - Subrecipient Agreement
- Exhibit D - Powerpoint Presentation