



Legislation Details (With Text)

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File created: 1/7/2019 **In control:** Housing and Community Development Commission
On agenda: 2/13/2019 **Final action:**
Title: Actions pertaining to Substantial Amendment No. 2018-01 to the 2018-2019 (FY 2019) Annual Action Plan:
1. HEARING to obtain public comments regarding the implementation of proposed Substantial Amendment No. 2018-01; and
2. Recommend Adoption of Substantial Amendment No. 2018-01 to the FY 2019 Annual Action Plan; and submission to the U.S. Department of Housing and Urban Development (HUD) for reprogramming \$2,259,784.43 of Community Development Block Grant (CDBG) program funds.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A - Substantial Amendment No. 2018-01

Date	Ver.	Action By	Action	Result
2/13/2019	1	Housing and Community Development Commission	recommended for approval	Pass

REPORT TO THE HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

February 13, 2019

FROM: JENNIFER CLARK, Director
Development and Resource Management

THROUGH: KELLI FURTADO, Assistant Director
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BY: TOM MORGAN, Housing Manager
Housing and Community Development Division

SUBJECT

Actions pertaining to Substantial Amendment No. 2018-01 to the 2018-2019 (FY 2019) Annual Action Plan:
1. HEARING to obtain public comments regarding the implementation of proposed Substantial Amendment No. 2018-01; and
2. Recommend Adoption of Substantial Amendment No. 2018-01 to the FY 2019 Annual Action Plan; and submission to the U.S. Department of Housing and Urban Development (HUD) for reprogramming \$2,259,784.43 of Community Development Block Grant (CDBG) program funds.

RECOMMENDATIONS

Housing and Community Development Division Staff recommends the Housing and Community Development Commission (HCDC) obtain the views and comments from interested persons regarding the Substantial Amendment No. 2018-01 and recommend the Fresno City Council approve Substantial Amendment No. 2018-01.

EXECUTIVE SUMMARY

Staff has identified \$2,259,784.43 in CDBG savings, cancelled projects and activities experiencing delays that can be reprogrammed for eligible activities. In order to reprogram the CDBG funds, HUD requires a Substantial Amendment to the 2018-2019 Annual Action Plan. Reprogramming these funds will allow the City to expediently utilize funds and assist the City in meeting CDBG expenditure and drawdown requirements by HUD's timeliness test by May 1, 2019.

BACKGROUND

As part of the mandate from Congress to administer the CDBG Program, HUD is required to determine annually whether each CDBG entitlement grantee is carrying out its activities "in a timely manner." A timeliness test is conducted by evaluating the ratio of spending to allocations wherein grantees cannot have more than 1.5 times the current program year grant in the line of credit on May 1 of each year. In December 2018, staff began a process to identify funds that could be reprogrammed and assist the City in meeting its 2019 CDBG timeliness performance metric by May 1, 2019.

PROPOSED SOURCES TO BE REPROGRAMMED: Staff proposes 32 projects, representing \$2,259,784.43 in savings and cancelled or delayed projects, for reprogramming. These program savings and cancelled or delayed projects are provided as Attachment A within the Substantial Amendment No. 2018-01 Exhibit.

Approximately \$550,000 of reprogrammed funds are derived from the Department of Public Works LED lighting improvements. The reprogramming of CDBG funds does not result in the cancellation of the projects identified, but CDBG funds will not be utilized to complete the projects. This action is a result of both challenges meeting federal procurement regulations given the lack of bids received for lighting materials, as well as city-wide funding becoming available for similar projects after the approval of the projects through the City's 2017 Annual Action Plan. Funding for the LED lighting improvements in Pinedale, Columbia, King, Fort Miller, Jefferson, Slater, and Leavenworth-Hidalgo Neighborhoods will be provided through other City resources.

An additional \$620,000 in Parks, After School, Recreation and Community Services (PARCS) improvements at Dickie Youth Development Center, Fink-White Neighborhood Center, and Victoria-West Park will be reprogrammed. Due to delays in these multi-year projects, a small portion of CDBG funds will remain in the 2018-2019 Annual Action Plan to allow for continued progress, with the majority of funds being proposed for reprogram. Additional funding will be proposed in the 2019-2020 Annual Action Plan to complete these multi-year activities. PARCS staff has indicated a new project manager will begin shortly with the City's PARCS Department, and the scopes of work and budgets will be refined for the 2019-2020 funding cycle.

PROPOSED USES OF REPROGRAMMED FUNDS: CDBG funds in the amount of \$2,259,784.43

are proposed to be reprogrammed for land acquisition and acquisition related costs for the Fancher Creek Senior Housing Project. The property to be acquired is located on Clovis Avenue and Tulare Avenue in southeast Fresno. The affordable senior housing will include 180 housing units.

The Fancher Creek Senior Housing Project was previously awarded \$1,420,500 in HOME Investment Partnership Act funding (Grant No. M-17-MC-0060204) for non-land development costs through the City Council and HUD approved 2017-2018 Annual Action Plan.

Pending City Council and HUD approvals, it is anticipated that the proposed activity for land acquisition and related costs will be completed prior to the May 1, 2019, timeliness test.

SUBSTANTIAL AMENDMENT PROCESS: In order to reprogram funds, HUD requires a Substantial Amendment to the 2018-2019 Action Plan. The amendment 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 process. It is important to note the City provided notices in English in the Fresno Bee and Spanish in the Vida en el Valle, with a notice in Hmong provided to KBIF AM 900. Additionally, notices were distributed electronically to the e-mail distribution list of over 500 addresses used by the Development and Resource Management Department. The City also made the Substantial Amendment available on the City's Website, at the City Clerk's Office, the Fresno County Library system, City Neighborhood and Community Centers, and at the Development and Resource Management Department's public counter.

Citizen Participation	Date
Public Notice Published in Fresno Bee	December 27, 2018
Draft Substantial Amendment published - Minimum 30 day public review period (started)	December 27, 2018
Electronic distribution	December 27, 2018
Public Notice Read on KBIF AM 900	January 9, 2019
Public Notice Published in Vida en el Valle	January 16, 2019
Public Review Period (closed)	January 28, 2019
HCDC Public Hearing and consideration of Draft Substantial Amendment for recommendation to City Council	February 13, 2019
City Council Public Hearing and consideration of the Substantial Amendment	February 14, 2019

The HCDC recommendation on Substantial Amendment No. 2018-01 will be included in a verbal update to the City Council at its February 14, 2019, meeting. Pending adoption by the City Council, Substantial Amendment No. 2018-01 will be submitted to HUD for approval, which may take up to 45 days to receive approval.

No public comments were received by the end of the public review period on January 28, 2019.

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. 2018-01 of the Annual Action Plan will allow the City to reprogram \$2,259,784.43 in entitlement funding that needs to be expended prior to May 1, 2019.

Attachment:

Exhibit A - Substantial Amendment No. 2018-01