



Agenda Item

City Council

Item #: 9.1.

5/9/2023

File #: 23-0262

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, City Manager

FROM: Russell Bunim, Community Development Director

1. SUBJECT

Public Hearing to consider the FY2023-2024 Annual Action Plan for use of Community Development Block Grant and HOME Investment Partnerships Funding.

2. SUMMARY

Request to approve the funding for proposed public projects, non-profit agency programs and administration under the Community Development Block Grant and HOME Investment Partnerships Program.

3. RECOMMENDED ACTION

1. Approve the draft Fiscal Year 2023-2024 Annual Action Plan and authorize the City Manager or his designee to execute the Fiscal Year 2023-2024 Memorandum of Understanding with City departments, subrecipient agreements with non-profit agencies, and all related U.S. Department of Housing and Urban Development documents.
2. Authorize staff to incorporate comments received at the Public Hearing or make changes if needed into the Annual Action Plan before submitting to the Department of Housing and Urban Development.

4. FISCAL IMPACT

All public projects, programs, and administration will be fully funded by the Community Development Block Grant Fund (310) and HOME Investment Partnerships Program (317).

5. STRATEGIC PLAN GOALS

Goal 3: Enhance and promote quality of life in the community

- e: Develop and strengthen collaborative partnerships to enhance and promote quality of life programs, projects, and services.

6. DISCUSSION AND BACKGROUND

The City receives annual federal funds from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) and the HOME Investment Partnerships (HOME) programs for the benefit of primarily low- and moderate-income residents. The funds are allocated to projects and programs that include street improvements, handicap accessibility improvements, after-school programs, supportive services, and to increase the supply of affordable housing.

Citizen Participation Plan Process

The City advertised the availability of CDBG funds on March 30, 2023, in the Anaheim Bulletin. Two Public Hearings and one Public Meeting were held to solicit input from nonprofit organizations and encourage residents to participate in the Fiscal Year (FY) 2023-2024 Annual Action Plan process. The Action Plan is required annually by HUD and outlines the City's plan for the use of funds in order to receive the funds.

The first Public Hearing was held on February 21, 2023, with the CDBG Committee (Committee) to hear eligible applicant presentations. The subject City Council Public Hearing is the second Public Hearing required for Council consideration and adoption of the funding recommendations made by the Committee. A Public Meeting was held on March 16, 2023, with the Committee during which it deliberated and reached consensus on the proposed funding recommendations presented to City Council with this report.

CDBG

The allocation for CDBG will be \$1,034,444. The category limits are based on not-to-exceed caps set by HUD as follows:

- 20% or \$206,888.80 for administration
- 15% or \$155,166.60 for public service activities
- 65% or \$672,390.60 for public facilities projects

This year, the City received a total of 11 applications for a total request of:

- \$330,000 for public service activities
- \$1,371,981 for public facilities projects

Factors used to determine funding recommendations included:

- Project eligibility
- Program description
- Organizational capacity and experience
- Goals and outcomes
- Budget
- Past performance goals
- Audit review
- Funding local priorities

In order to increase available resources for public services, the Fair Housing Foundation is recommended to be paid out of the administrative category as it is a qualifying expense.

Additionally, a proposal for a public restroom at the El Modena Basin, outside of the application process, was proposed to the Committee for consideration under the Public Facilities category. The Committee voted to recommend the project to Council, along with the funding recommendations for the projects and programs in Attachment 2 of this report.

HOME

The allocation for HOME will be \$432,231. The category limits are based on caps set by HUD as follows:

- 10% or \$43,223.10 for administration
- 15% or \$64,834.65 for CHDO - Community Housing Development Organization nonprofit organizations that are rooted in neighborhoods and support the idea of community-led

revitalization, which the HOME Program and other HUD programs promote.

- 75% or \$324,173.25 for developer projects

In FY24, the City will be looking to establish a Tenant Based Rental Assistance (TBRA) Program that will work with local service providers such as the Homeless Resource Center to assist individuals and families in need. The guidelines for the program are being developed and will be brought to Council at a later date for consideration. The recommendation is to identify \$150,000 to begin the program in FY24.

Staff recommends the approval of the CDBG funding recommendations and authorization to include the recommendations in the FY2023-24 Annual Action Plan.

7. ATTACHMENTS

- Fiscal Year 2023-2024 Draft Annual Action Plan
- Fiscal Year 2023-2024 CDBG Funding Recommendation Summary