



# CITY COUNCIL STAFF REPORT



July 19, 2022

## ITEM TITLE

Department of Housing and Urban Development Grant Funding: Appropriation of Funds for the 2022/23 Annual Action Plan (4/5 Vote)

**Report Number:** 22-0216

**Location:** No specific geographic location

**Department:** Development Services

**Environmental Notice:** The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act ("CEQA") State Guidelines and Title 24 of the Federal Code of Regulations; therefore, pursuant to State Guidelines Section 15060(c)(3) and Federal Guidelines Part 58.34(a)(2) & (3) no environmental review is required. Notwithstanding the foregoing, the activity qualifies for an Exemption pursuant to Section 15061(b)(3) of CEQA and Part 58.34 (a)(2) & (3) of the National Environmental Policy Act ("NEPA").

## Recommended Action

Adopt a resolution appropriating funds to execute the 2022/23 U.S. Department of Housing and Urban Development ("HUD") annual spending plan for the Community Development Block Grant, HOME Investment Partnerships Program, and the Emergency Solutions Grant (the "Annual Action Plan") **(4/5 Vote Required)**.

## SUMMARY

City Council approved the final Annual Action Plan on July 12, 2022 and it was submitted to HUD by the deadline of July 16, 2022. Staff is requesting that City Council approve the appropriation of funds to implement the 2022/23 Action Plan activities.

## ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with CEQA and NEPA. The activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the proposal consists of a reporting action, is not for a site-specific project(s) and will not result in a direct or indirect physical change in the environmental. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Under NEPA, the activity is exempt pursuant to Title 24, Part 58.34(a)(2)&(3) of the Code of Federal Regulations and pursuant to HUD Environmental Guidelines.

Thus, no further environmental review is necessary at this time. Although environmental review is not necessary at this time, once a project(s) has been approved, environmental review will be required and a CEQA/NEPA determination completed prior to initiation of any related project activity.

#### **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

Not applicable.

#### **DISCUSSION**

The Annual Action Plan was released for the required 30-day review and comment period on June 3, 2022, and closed July 4, 2022, with no public comments received. The final version of the Annual Action Plan was approved by City Council on July 12, 2022. The staff report and associated Annual Action Plan from the July 12<sup>th</sup> City Council item have been included for reference as Attachment 1. Staff recommends that the City Council approve appropriation of funds detailed in the approved Annual Action Plan.

#### **DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the Rienstra Park Improvement, Lauderbach, and D Street CIPs which are the subject of this action.

Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.). Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

#### **CURRENT-YEAR FISCAL IMPACT**

There is no current-year fiscal impact to the General Fund as a result of this action. In the remote event that HUD should withdraw the City's CDBG, ESG, and HOME funding, the Agreements/Memorandum of Understandings provide that the City is not obligated to compensate subrecipients or City Departments for program expenditures.

Recommended funding allocations are summarized below.

<b>Community Development Block Grant (CDBG)</b>	
CDBG Administration and Planning	\$459,459
Public Services	\$344,594
Section 108 Loan Payment	\$657,214
Capital Improvement and Housing	\$836,028
<b>Subtotal</b>	<b>\$ 2,297,295</b>
<b>Home Investment Partnerships Act (HOME)</b>	
HOME Planning and Administration	\$90,955
Affordable Housing Projects/Programs	\$818,597
<b>Subtotal</b>	<b>\$909,552</b>

<b>Emergency Solutions Grant (ESG)</b>	
ESG Administration and Planning	\$14,994
Shelter Services and Operations	\$1,204,890
Homeless Prevention and Rapid ReHousing	\$184,932
<b>Subtotal</b>	<b>\$1,404,816</b>
<b>TOTAL CDBG, HOME and ESG</b>	<b>\$4,611,664</b>

## ONGOING FISCAL IMPACT

There is no ongoing fiscal impact to the City's General Fund as a result of this action. All costs associated with the administration of the CDBG, HOME and ESG programs are covered by the respective grants.

## ATTACHMENTS

1. July 12, 2022 Staff Report (Item 5.13)

*Staff Contact: Mark Barnard, Management Analyst I  
Tiffany Allen, Deputy City Manager & Director of Development Services*