



*City of Arts & Innovation*

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 2, 2020

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARDS: ALL

SUBJECT: PUBLIC HEARING - UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FIVE-YEAR CONSOLIDATED PLAN 2020-2024; CITIZEN PARTICIPATION PLAN 2020-2024; ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE 2020-2024; AND ANNUAL ACTION PLAN 2020-2021 – SUPPLEMENTAL APPROPRIATION, INTERFUND/INTERDEPARTMENTAL TRANSFERS

## **ISSUE:**

Adopt the recommendations and strategies outlined in the Five-Year Consolidated Plan 2020-2024, the Analysis of Impediments to Fair Housing Choice 2020-2024, the Citizen Participation Plan 2020-2024, and the funding recommendations and expenditure of federal entitlement funding outlined in the U.S. Department of Housing and Urban Development Annual Action Plan 2020-2021.

## **RECOMMENDATIONS:**

That the City Council:

1. Conduct the Noticed Public Hearing and accept public comment on the City's Five-Year Consolidated Plan 2020-2024, Analysis of Impediments to Fair Housing Choice 2020-2024, Citizen Participation Plan 2020-2024, and HUD Annual Action Plan 2020-2021;
2. Approve the recommendations of the Five-Year Consolidated Plan 2020-2024; Analysis of Impediments to Fair Housing Choice 2020-2024; Citizen Participation Plan 2020-2024; and HUD Annual Action Plan 2020-2021 and authorize staff to finalize these documents to be submitted to the U.S. Department of Housing and Urban Development prior to the required submission deadline;
3. Approve the recommendations for the expenditure of Community Development Block Grant funding for Program Year 2020-2021 as outlined in Attachment 1;
4. Approve the recommendations for the expenditure of Emergency Solutions Grant, Housing Opportunities for Persons with AIDS, and HOME Investment Partnerships Program funding

for Program Year 2020-2021 as outlined in this report;

5. Authorize the City Manager, or his designee, to execute the grant agreements prepared by the U.S. Department of Housing and Urban Development and related materials for the Community Development Block Grant, Emergency Solutions Grant, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS;
6. Authorize the City Attorney's Office to prepare the standard Community Development Block Grant, Emergency Solutions Grant, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS Agreements with the City grantees as set forth herein and in the authorized amounts for services to be provided for Program Year 2020-2021;
7. Authorize the City Manager, or his designee, to approve internal transfers for Community Development Block Grant, Emergency Solutions Grant, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS funded activities that need funding changes of over \$50,000 or more than 10% of the original funded amount, whichever is less. Transfers will be in accordance with City procedures and U.S. Department of Housing and Urban Development guidelines; and
8. Authorize the appropriation of funds and related interfund and interdepartmental transfers for City Departments receiving funding to the appropriate accounts established by the Finance Department as identified in the U.S. Department of Housing and Urban Development Annual Action Plan 2020-2021.

## **BACKGROUND:**

As a designated entitlement jurisdiction, the City of Riverside receives federal funding to support projects and programs that provide decent housing, sustain suitable living environments, and expand economic opportunities for low- and moderate-income persons.

In order to receive these funds, the United States of Housing and Urban Development (HUD) requires the submission of the following documents; Five-Year Consolidated Plan, Analysis of Impediments to Fair Housing Choice (AI), and a Citizen Participation Plan (CPP) ("Plans"). In addition, the City must submit the Annual Action Plan for 2020-2021 with specific projects and funding allocations for the year.

The City is required to implement its Citizen Participation Plan in establishing not only the aforementioned Consolidated Plan and AI, but also the Annual Action Plan. This year, the community input process included the mailing of the "Community at Home" postcard to each resident in Riverside, an on-line survey option, community meetings in six of the seven City Council Wards, a public notice of funding availability released on December 4, 2019, a 30-day public comment period on the draft Plans and the Public Hearing noticed for June 2, 2020 relative to the Annual Action Plan. A complete draft of all four documents was made available for public review and comment for a 30-day period beginning May 1, 2020. The availability of the draft Plans was advertised in the Press Enterprise and the complete documents have been made available for review on the City's website. A description of each document is provided below.

## **Consolidated Plan 2020-2024**

The Consolidated Plan (Attachment 2) provides a basis and strategy for the use of federal funds granted by HUD under the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs for a five-year period. The plan is the product of extensive public outreach through public meetings and consultation with agencies and organizations involved in the development of affordable housing, job creation, services to children, the elderly, persons with disabilities, persons with HIV/AIDS, and the homeless.

### **Analysis of Impediments (AI) 2020-2024**

The AI (Attachment 3) is a study which identifies any impediments to fair and equal housing opportunities and certifies that the City will engage in fair housing planning.

### **Citizen Participation Plan (CPP) 2020-2024**

The primary role of the CPP (Attachment 4) is to provide citizens, especially low- and moderate-income citizens, opportunities to participate and provide input as to the prioritizing, planning, implementation, and assessment of the programs and projects. This is accomplished through a variety of mechanisms such as postcard announcements sent to every resident annually, City Council Ward meetings, availability to public records, and performance reports.

### **Annual Action Plan 2020-2021**

The Annual Action Plan for program year 2020-2021, (Attachment 5) sets forth how the City will use annual entitlement program funds provided through the CDBG, ESG, HOPWA and HOME programs. The City of Riverside Fiscal Year 2020-2021 HUD allocations for these formula programs and the proposed activities to be funded are as follows:

#### *CDBG Program*

The Fiscal Year 2020-2021 CDBG funding allocation is \$3,180,351. Eligible activities include acquisition of real property; construction, rehabilitation or improvements to public and non-profit facilities; housing-related services; economic development; and public services. Eligible activities are required to meet at least one of three National Objectives: 1) assist low- and moderate-income persons; 2) aid in the prevention or elimination of slum or blight; or 3) meet urgent community needs. Proposed CDBG funding for Fiscal Year 2020-2021 is listed in Attachment 1.

#### *ESG Program*

The Fiscal Year 2020-2021 ESG funding allocation is \$280,915. Eligible activities include capital investments in emergency shelter or transitional housing, support for the operations and services provided at such facilities, outreach, and homeless prevention services. Funding recommendations for Fiscal Year 2020-2021 ESG allocation are as follows: \$150,000 to Path of Life Ministries to assist with services and operations at the Riverside Emergency Shelter; \$109,846 allocated towards the City's Rapid Re-Housing Program; and \$21,069 for program administration.

#### *HOPWA Program*

The Fiscal Year 2020-2021 HOPWA funding allocation is \$3,292,411. The City of Riverside has been designated by HUD as the Eligible Metropolitan Service Area (EMSA) grantee to administer the HOPWA funding for both Riverside and San Bernardino Counties. HOPWA funds may be used for housing projects, rental subsidies, mortgage and utility payments, supportive services, and program administration. Funding recommendations for the Fiscal Year 2020-2021 HOPWA

allocation are as follows: \$1,876,674 to the Housing Authority of the County of Riverside to serve as Project Sponsor for service activities provided in Riverside County; \$1,316,965 to Foothill AIDS Project for service activities provided in San Bernardino County; and \$98,772 for program administration.

### HOME Program

The Fiscal Year 2020-2021 HOME funding allocation is \$1,211,509. The HOME Program goal is to preserve and increase the supply of decent, safe, and sanitary affordable rental and owner-occupied housing for persons at 80% or below the Riverside County area median household income. Ongoing programs that will receive additional funding are the Housing Rehabilitation Program and the Acquisition and Rehabilitation of Multi-family properties and the Infill Residential Development Program.

Funding will be distributed as follows according to specific HUD program caps:

• Affordable Housing Program	\$1,090,358
(a) Acquisition and Rehabilitation of Multi-family residential units; and/or	
(b) Infill Residential Development	
• Administration	\$121,151
• Anticipated Program Income	<u>\$200,000</u>
	Total: \$1,411,509

Program Income funds may be used to fund the Affordable Housing Program and Tenant-Based Rental Assistance Program.

### Program Administration:

Finally, as an entitlement city, the City is responsible for expending funds in a timely manner. To facilitate program administration, staff requests that the City Manager, or his designee, be authorized to approve internal fund transfers of up to \$50,000 or more than 10% of the original funded amount, whichever is less provided that such transfers be in accordance with City procedures and HUD guidelines in order to complete CDBG, ESG, HOME and HOPWA projects efficiently and effectively.

### **FISCAL IMPACT:**

The anticipated funding is included in the City's Fiscal Year 2020-2021 budget and will be adjusted to reflect the actual amount awarded. An appropriation of funds and related interfund and interdepartmental transfers will be recorded for City Departments receiving funding to the appropriate accounts established by the Finance Department as identified in the U.S. Department of Housing and Urban Development Annual Action Plan 2020-2021.

Prepared by:	David Welch, Community & Economic Development Director
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Gary Geuss, City Attorney

Attachments:

1. CDBG Project Funding Recommendations 2020-2021
2. Five-Year Consolidated Plan 2020-2024
3. Analysis of Impediments to Fair Housing Choice 2020-2024
4. Citizen Participation Plan 2020-2024
5. HUD Annual Action Plan 2020-2021