



Housing Advisory Commission

40a

ACTION CALENDAR

April 29, 2014

To: Honorable Mayor and Members of the City Council
From: Housing Advisory Commission
Submitted by: Marian Wolfe, Chairperson, Housing Advisory Commission
Subject: Submission of the PY2014 Annual Action Plan Including Allocations of Federal Funds

RECOMMENDATION

Adopt the Housing Advisory Commission's funding recommendations for FY2015 for Community Development Block Grant, Emergency Solutions Grant and HOME Investment Partnership funds and approve the submission of the PY2014 (FY2015) Annual Action Plan as attachments to the City Manager's Council Report of April 29, 2014.

FISCAL IMPACTS OF RECOMMENDATION

Federal funding for FY2015 has been released. The City's CDBG entitlement amount decreased by 0.2% to \$2,496,679. CDBG program income is estimated to be \$60,000, a reduction over last the current year's projection. Staff anticipate having \$300,000 in unexpended funds from prior years available for allocation, which will give the City a total of \$2,856,679 in CDBG funds for allocation for FY 2015, a total 5% reduction from the current year. Unexpended prior year funds cannot be used for public services or administration, capped funding categories. These additional funds can be used, however, on housing services, community facility projects and the Housing Trust Fund. The City's HOME entitlement is 0.9% below the current year, or \$644,224. Program income is estimated to be \$20,000 making a total of \$664,224 HOME funds available for allocation for FY 2015, a total 1% reduction. The City's ESG entitlement for next year is \$203,290, a 20% increase over the current year.

Proposed expenditures of CDBG, ESG and HOME Funds are detailed in Attachment 1, Exhibit A to the City Manager's companion report.

CURRENT SITUATION AND ITS EFFECTS

Each year, the City of Berkeley issues a Request for Proposals (RFP) in November, soliciting applications from non-profit community agencies. This fiscal year the RFP was limited to proposals for public facility improvement projects. HAC reviewed proposals in January and February and made site visits to agencies applying for funding. At its February 6, 2014 meeting, the HAC voted to adopt the recommendations as outlined below and in Attachment 1, Exhibit A of the City Manager's companion report (M/S/C:

Tregub/Darrow. Ayes: Casalaina, Darrow, Droste, Feller, Skjerpung, Soto-Vigil, Tregub, and Wolfe. Noes: None. Abstentions: None). The U.S. Department of Housing and Urban Development (HUD) requires the submission of an Annual Action Plan, which contains the final CDBG, ESG and HOME allocations and proposed expenditures, each year by May 15. City Council is asked to approve the Annual Action Plan, which must be submitted to HUD by May 15, 2014. No serious concerns with the Annual Action Plan were expressed, and the Commission voted unanimously at its March 6, 2014 meeting to recommend that City Council approve the PY2014 Annual Action Plan (M/S/C: Tregub/Darrow. Ayes: Soto-Vigil, Drake, Magofna, Casalaina, Wolfe, Tregub, Darrow, Droste, Skjerpung. Noes: None. Abstentions: None).

BACKGROUND

The Housing Advisory Commission participates each year in making recommendations to City Council regarding allocations of CDBG, ESG and HOME funds. It designates a CDBG Subcommittee to review and evaluate proposals, make site visits, and recommend projects to be funded with CDBG and ESG funding. This year, the HAC and its CDBG Subcommittee reviewed five public facility improvement projects in January and February 2014 and made recommendations to the full Commission at its February 6, 2014 meeting.

ENVIRONMENTAL SUSTAINABILITY

Specific targeting of CDBG funding for projects that promote the City's Climate Action Plan have not yet been contemplated but could be in preparation for a future funding round.

RATIONALE FOR RECOMMENDATION

The CDBG Subcommittee engaged in deliberations in January and February 2014. As a result of site visits and review of applications submitted, the CDBG Subcommittee developed preliminary recommendations upon which the final HAC recommendations are based.

Public Facilities Improvements

The Housing Advisory Commission recommends spending \$236,193 in CDBG funds for four public and community facilities projects. The projects are:

- \$34,493 in CDBG funding for Lifelong Medical Care's (LLMC) Dental Clinic. LLMC applied for the replacement of three doors and nine windows at its Dental Clinic located at 1860 Alcatraz Avenue to improve the energy efficiency of the building. The Dental Clinic serves primarily low-income residents.
- \$43,040 in CDBG funding for Lifelong Medical Care's Over 60s Health Clinic to replace an air handler, re-glaze doors, and replace the main entrance to the building to improve energy efficiency.
- \$134,085 in CDBG funding for the City of Berkeley Housing & Community Services Department for staffing that works directly on facilities improvements.

- \$24,575 in CDBG funding for Rebuilding Together East Bay-North, which mobilizes volunteers to make renovations to up to 5 community facilities located in Berkeley which serve primarily low-income residents.

Building Opportunities for Self-Sufficiency (BOSS) submitted a proposal for \$100,000 to replace a dilapidated trailer that serves as the Children's Learning Center at the Ursula Sherman Village shelter and transitional housing at 711 Harrison Street. After a site visit and upon further consideration, BOSS chose to withdraw the proposal. BOSS estimated that the project would cost upwards of \$400,000 and did not have any commitments of other leveraged funding to ensure that the project would be feasible in FY2015.

The Berkeley Food and Housing Project (BFHP) submitted a proposal for \$141,275 for improvements to fourteen bathrooms and two kitchens at their Dwight Way shelter and transitional housing program. This project is recommended for \$139,475 in FY2012 ESG funding and \$1,800 in FY2014 CDBG funding. The full rationale behind this funding allocation is the subject of a separate report that was considered by City Council on March 25, 2014¹.

Housing Services and Public Services Projects

The HAC recommends continuing to fund all projects at their current levels. A small reduction (\$12,266) in the public services funding category is needed, however, to stay under the cap mandated by HUD for this category of funding (17.83% of the CDBG entitlement amount plus program income from the prior year). In order to not impact community agencies receiving CDBG funding directly, the HAC recommends reducing the one project that is not allocated directly to a community agency, the Homeless Prevention and Rapid Re-Housing program, to \$59,107. This program is also funded with ESG and can absorb the reduction.

ALTERNATIVE ACTIONS CONSIDERED

None.

CITY MANAGER

See companion report.

CONTACT PERSON

Kristen Lee, Community Services Specialist III, HHCS, (510) 981-5427

¹ See http://www.cityofberkeley.info/Clerk/City_Council/2014/03_Mar/Documents/2014-03-25_Item_06_Substantial_Amendment_to_PY_2013.aspx

