



CITY OF POMONA

COUNCIL REPORT

June 5, 2023

To: Honorable Mayor and Members of the City Council

From: James W. Makshanoff, City Manager

Submitted By: Benita DeFrank, Neighborhood Services Director

SUBJECT: APPROVING THE 2023-2028 CONSOLIDATED PLAN AND FY 2023-2024 ANNUAL ACTION PLAN

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Adopt the following resolution (Attachment No. 1):

RESOLUTION NO. 2023-88 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, APPROVING THE 2023-2028 CONSOLIDATED PLAN AND FISCAL YEAR (FY) 2023-2024 ANNUAL ACTION PLAN WITH FUNDING FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) AND THE EMERGENCY SOLUTIONS GRANT (ESG) FEDERAL ENTITLEMENT PROGRAM FUNDS

- 2) Approve final award recommendations for FY 2023-2024 CDBG Program, as referenced in Attachment No. 1 Exhibit A (FY 2023-2024 CDBG Funding Recommendations);
- 3) Approve final award recommendations for FY 2023-2024 ESG Program, as referenced in Attachment No. 1 Exhibit B (FY 2023-2024 ESG Funding Recommendations);
- 4) Approve final award recommendations for the FY 2023-2024 HOME Program;
- 5) Approve awarding \$45,000 in Emergency Solutions Grant to Volunteers of America Los Angeles, under the current site operation agreement for the Hope for Home Service Center;
- 6) Approve inclusion of funding awards in the FY 2023-2024 Annual Action Plan;
- 7) Adopt the 2023-2028 Consolidated Plan and FY 2023-2024 Annual Action Plan; and
- 8) Authorize the City Manager to execute appropriate applications and certification documents for the Annual Action Plan for submittal to the U.S. Department of Housing and Urban Development (HUD).

EXECUTIVE SUMMARY:

2023-2028 Consolidated Plan Development

Every three to five years, the U. S. Department of Housing and Urban Development (HUD) requires that public jurisdictions receiving certain Federal funds, prepare a Consolidated Plan to

identify housing, homeless, community and economic development needs and resources for meeting those needs. Development of the Consolidated Plan provides an opportunity for citizens, non-profit organizations and other stakeholders to help define priorities for addressing local community needs and to tailor a strategic plan for meeting the identified needs. It also includes a request for proposals and award of funds to agencies that will assist in meeting community needs.

The City of Pomona is in the last year of its existing Five-Year Consolidated Plan (2018-2023). The current development process focused on the 2023-2028 Five-Year Consolidated Plan. (Attachment No. 2)

The Consolidated Plan must meet certain requirements of the Federal government in order for the City of Pomona to continue to receive funds that are used to meet local housing, community development, and social service needs. These funds include the Community Development Block Grant (CDBG) program, the HOME Investment Partnerships (HOME) program and the Emergency Solutions Grant (ESG) programs. As a condition of receipt of these funds, an Annual Action Plan must be submitted to HUD (Attachment No.2). On February 27, 2023, Congress approved the FY 2023-2024 allocations of these funds.

FISCAL IMPACT:

The FY 2023-2024 formula entitlement allocation is \$2,835,902. The formula programs are the Community Development Block Grant (CDBG) Program, with funding to be at \$1,771,564; HOME Investment Partnerships (HOME) Program with funding to be at \$905,134; and the Emergency Solutions Grant (ESG) Program with funding to be at \$159,204. As these are entitlement funds, they are included as revenue, with corresponding expenditures in the FY 2023-2024 Proposed Budget as special funds. There is no fiscal impact to the general fund.

PUBLIC NOTICING REQUIREMENTS:

Notice was published on April 14, 2023, in the Inland Valley Daily Bulletin for the May 1, 2023 and June 5, 2023 Public Hearings. (Attachment No. 3)

PREVIOUS RELATED ACTION:

The City Council approved the 2018-2023 Consolidated Plan on June 18, 2018. The FY 2022-2023 Annual Action Plan was adopted on July 18, 2022.

DISCUSSION:

Relationship of the 2023-2028 Consolidated Plan to the FY 2023-2024 Annual Action Plan

The Five-Year Consolidated Plan is a comprehensive analysis of housing and community development needs, including the strategy to address those needs, and an action plan to implement programs that meet those needs. This single document consolidates the planning, application, and reporting requirements of several programs overseen by HUD. The Annual Action Plan focuses primarily on the actions that will be funded in the upcoming year. The Plan must be published for a thirty day public comment period prior to its submittal to HUD. Any comments received during this period may be included in the Annual Action Plan.

The One-Year Annual Action Plan is due to HUD forty-five days prior to the start of the fiscal year or August 16, 2023 for this application cycle. This is a mandatory deadline that must be met in order to receive the Consolidated Plan funding. The draft Consolidated Plan and the Action Plan were available for public review from May 1, 2023 through June 5, 2023. This public hearing is the second of two meetings required to approve the Consolidated Plan and the Annual Action Plan for submission.

Citizen Participation

On October 26, 2022, a Community Needs Survey was made available to Pomona residents to solicit community input. The survey was placed on the City's website for online completion, and hard copies were delivered to thirteen community service centers. In addition, the survey was made available at four community meetings. Outreach efforts to promote the online survey included: mailing postcards to over 43,500 households, informing residents of community meetings/forums and requesting their input via the Community Needs Survey. Additional notification regarding the availability of the survey was posted on the citywide Nixle-system, Facebook, Twitter, La Voz and the Inland Valley Daily Bulletin Newspapers. Survey responses were accepted through January 31, 2023. As a result of the outreach efforts, 429 surveys were received. Survey results are provided in Attachment No. 4.

Annual Fund Amounts

The City entitlement allocations for FY 2023-2024: Community Development Block Grant (CDBG) program funding at \$1,771,564, Home Investment Partnership (HOME) program funding at \$905,134 and Emergency Solutions Grant (ESG) program funding at \$159,204. The total anticipated funding is \$2,835,902.

The FY 2023-2024 Entitlement Program allocations are listed below:

2023-2024 ENTITLEMENT ALLOCATION FUNDS	AMOUNT
Community Development Block Grant (CDBG)	\$ 1,771,564
HOME Investment Partnership Program (HOME)	\$ 905,134
Emergency Solutions Grant (ESG)	\$ 159,204
ENTITLEMENT ALLOCATIONS TOTAL	\$ 2,835,902

Community Development Block Grant (CDBG)

The primary purposes of CDBG Program funds are to: 1) provide decent housing; 2) provide a suitable living environment; and 3) expand economic opportunities, principally for low-to-moderate income persons. In accordance with the CDBG national objectives, an activity must meet one of three objectives: 1) serve low-moderate income persons; 2) aid in the elimination of slum and blight; or 3) address recent, urgent health or welfare needs (e.g., natural disaster). An activity may be eligible because it either benefits an area (activity serves a census tract which has 51% or more low-moderate income persons) or a limited clientele (persons and families with low-to-moderate income). More than 70% of all funds must be expended to assist low-to-moderate income persons and families. The City plans to expend 100% of CDBG funds to benefit low-to-moderate income persons and families.

Community Development Block Grant Low and Moderate Income Area Benefit

The Low and Moderate Income Area (LMA) benefit category is the most commonly used national objective for activities that benefit a residential neighborhood. An area benefit activity is one that benefits all residents in a particular area, where at least 51% of the residents are Low to Moderate Income (LMI) persons. The LMA is determined by census data at the block group level, which is a smaller subset of the census tract. Funding is distributed to each Council District based on the percentage of LMA within each district.

LMA percentages for each Council District are attached and staff will be utilizing funding percentages for CDBG district allocations (Attachment No. 1 - Exhibits A and B). Regardless of District allocations or percentage, project expenditures can only be made within the current HUD recognized LMA or on projects related to eligible LMI residents for a CDBG Eligible Area Map.

Community Development Block Grant Eligible Activities

Eligible activities fall into five general categories: Administration/Planning, Housing, Economic Development, Public Service, or Capital Improvement. Certain activities are not eligible, including single event functions, contingency funds, on-going clean-up activities, or improvements to buildings and areas for the general conduct of government (except in the case of improvements designed to assist the disabled in public areas as required by the Americans with Disabilities Act).

Listed below is the breakdown of proposed CDBG funding allocations for FY 2023-2024, based on HUD requirements. The amounts provided under “capped” categories are rounded down in dollar amount to ensure that these regulatory caps are not exceeded.

CDBG CATEGORY	AMOUNT	CAP
Public Service	\$ 265,735	(15% cap)
Non-Public Service Activities	\$ 1,151,517	(No cap)
Administration	\$ 354,313	(20% cap)

TOTAL AVAILABLE FUNDING: \$1,771,564

Citywide

Based on input from the Community Needs Survey and from City departments, there is a need for CDBG-funded citywide activities that otherwise could not be provided. These include projects that have been funded previously such as parks and recreation services, infrastructure projects, anti-crime programs and code enforcement. However, addressing Homelessness is now ranked as the highest priority per residents. As such, the fiscal impact of a reduction or loss of CDBG funding would require the City to fund these activities from the General Fund or to significantly reduce and/or eliminate many of these services that principally benefit low-to-moderate income residents of the City. Staff is proposing additional service programs designed to meet high priority needs. Citywide needs were given a priority in funding recommendations and include:

Code Enforcement	Infrastructure – Curbs, Sidewalks, Alleys
Community Oriented Policing Program	Fair Housing Services
Housing Services	Public Service Programs
Homeless Services Programs	Housing Improvement Programs

Request for Proposal submittals, Late Requests, and Rejections:

This year, the City received 27 applications for CDBG funds, excluding Administration. Of the 27, there were 16 applications from Community-Based Organizations (CBOs) and 11 from City Departments. All applications were reviewed and recommended for funding by the Grants Administration Committee. Also, CBO applications were reviewed by the Community Life Commission (CLC). The CLC was provided a list of the 16 CBO agencies that were deemed eligible, along with performance information for agencies previously funded. The CLC recommended all 16 applications for funding recommendations. In addition, the CLC recommended that City Council take the Community Needs Survey results into consideration when allocating funding.

CDBG Program Administration

A total of \$354,313, or 20 percent of the total anticipated CDBG funding allocation, is available in FY 2023-2024 for Administration of the CDBG program, including general management, oversight, and coordination and monitoring of programs. HUD requires that municipalities cap administration costs at 20 percent of the total funding allocation.

Public Service Category

The City has received a number of public service requests from City departments, as well as from community agencies. Based on community input, there is a continuing need for youth services, homeless services, and services to seniors. There is also an ongoing need for activities focused on safety and security. Staff is proposing a continuation of CDBG funding for the Community Problem Oriented Policing (CPOP) Program. This program provides one officer for community policing and ombudsmen services in the City's residential low-to-moderate income neighborhoods. Under CDBG regulations, this program is considered to be a public service activity.

Another high priority need this year will be for Homeless Services. There is a public service request for a CDBG Homeless Services Program to provide an increase in services to the homeless.

The City also recommends funding after school recreation and youth programs. Public agency requests include youth services, leadership development, homeless services, counseling, food programs, education and services to victims of domestic violence.

The following table is a breakdown of available FY 2023-2024 public service funds, including Federally-Mandated Fair Housing Services for \$35,000, which is included in the HUD-required 15 percent public services cap.

CATEGORY	AMOUNT
Fair Housing Services	\$ 35,000
Other Public Service Activities	\$ 230,735

TOTAL AVAILABLE FUNDING: \$265,735

Non-Public Service Category

Non-public services include capital improvements, housing programs and Code Enforcement. In the Code Enforcement Division, the cost of operations and personnel are shared with the City's General Fund. This is based on the percentage of time spent in CDBG-eligible areas versus time

spent in non-CDBG eligible areas. In accordance with Federal requirements, staff has identified target areas in which to concentrate CDBG-funded Code Enforcement activities. These target areas are based on a variety of factors, including the number of police reports, the number of code complaints filed, the number of abatements performed and the existence of Neighborhood Watch organizations within the area and those areas that are considered deteriorated. Areas must also be designated as slum and blighted areas.

In addition, staff is proposing to fund Housing Services in an effort to maintain current housing programs and staff to provide loan processing, housing counseling, preparation of work specifications in housing related projects, and housing inspections. Staff is also proposing continued infrastructure improvements based on Council direction, specifically ADA curb ramp improvements as proposed in consultation with the Public Works Department. Finally, the non-public service category includes \$13,000 on federally mandated Section 108 Loan re-payments.

Home Investment Partnerships Program (HOME)

The Home Investment Partnerships Program (HOME) funds are used for the preservation and creation of affordable housing. Eligible activities include Single-Family Housing Rehabilitation, Multi-Family Housing Rehabilitation, First-Time Home Buyer Programs and Tenant-Based Rental Assistance. Below is a listing of eligible categories for the HOME Program and estimated funding levels.

CATEGORY	AMOUNT	CAP
Community Housing Development Organizations	\$135,770	(15% cap)
Administration	\$90,513	(10% cap)
Tenant Based Rental Assistance (TBRA	\$0	(no cap)
First-Time Homebuyer Program	\$500,000	(no cap)
Single-Family Housing Rehabilitation	\$178,851	(no cap)

TOTAL AVAILABLE FUNDING: \$905,134

Emergency Solutions Grant Program (ESG)

Emergency Solutions Grant (ESG) program activities place emphasis on moving homeless persons from tentative, unstable living situations to more permanent, stable housing, and self-sufficiency.

These activities fall under six basic funding categories as listed below, pursuant to the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009. Each category requires a mandated 100% match for funds expended, except for Administration. To meet this obligation, each agency receiving ESG funds from the City is required to identify the source of its matching funds as part of the application process. The City operated programs provide match through the salaries of non-ESG funded staff that assist in administering the ESG grant. Any amounts funded for Street Outreach, Emergency Shelter and Administration cannot exceed the statutory caps as regulated by HUD. The categories and suggested funding amounts for FY 2023-2024 appear below:

ESG CATEGORY	AMOUNT	CAP
Homeless Prevention	\$0	(No cap)
Street Outreach	\$0	(60% cap)
Emergency Shelter	\$95,552	(60% cap)
Rapid Re-Housing	\$0	(No cap)
HMIS	\$51,712	(No cap)
Administration	\$11,940	(7.5% cap)

TOTAL AVAILABLE FUNDING: \$159,204

The City did not solicit a Request for Funding Proposals for Homeless Services using ESG funds for FY 2023-2024 because funds will be directed to the City's Hope for Home interim housing site. ESG funds will be utilized primarily for shelter operations. The total funding available for ESG activities is \$159,204.

Volunteers of America Award

With the approval of Attachment No. 1 Exhibit B – ESG entitlement funds, City Council approves an allocation of \$45,000 to Volunteers of America Los Angeles as the Homeless Service Center Operator to assist in engaging homeless persons, providing essential services to shelter residents and assisting with housing placement services.

Preliminary Funding Recommendations

Preliminary funding recommendations, as submitted by staff, (Attachment No. 1 – Exhibits A and B) are based on priorities as established by prior year funding, Councilmember input, resident survey data and the good standing of agencies as established through annual performance evaluations. Under the direction of the Council, staff is authorized to bring the applications for funding to the City Council for a public hearing on June 5, 2023. This is the final meeting for adoption of the 2023-2028 Consolidated Plan and FY 2023-2024 Annual Action Plan. The plans are due to HUD forty-five days prior to the start of the fiscal year or by August 16, 2023 for this application cycle.

COUNCIL PRIORITIES & GOALS: Priority 1 – Fiscal Operational Responsibility: Goal C: Obtain additional grant funding and other revenues to help achieve City goals.

Prepared by:

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ATTACHMENTS:

Attachment No. 1 - Resolution No. 2023-88 (Including Exhibits A and B)
Attachment No. 2 - 2023-2028 Consolidated Plan and FY 23-24 Annual Action Plan
Attachment No. 3 - Public Notice
Attachment No. 4 - FY 2023-2024 Community Needs Survey Results