



# CITY OF POMONA COUNCIL REPORT

January 28, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Benita DeFrank, Neighborhood Services Director

Subject: **Public Hearing Amending the Consolidated Plan, the Fiscal year (FY) 2018-2019 Annual Action Plan and the FY 2018-2019 City Operating Budget by Reallocating Budgeted Funds and Appropriating Additional Community Development Block Grant (CDBG) Funds, HOME Investment Partnership Act (HOME) Program Funds, Emergency Solutions Grant (ESG) Funds and Cal HOME Funds.**

## OVERVIEW

**Recommendation** – That the City Council conduct a public hearing on the proposed amendments and after receiving public comment and discussing any changes, adopt the attached resolution amending the Consolidated Plan, the Fiscal year (FY) 2018-2019 Annual Action Plan and the FY 2018-2019 City Operating Budget by reallocating \$500,000 in HOME funds among different eligible projects and appropriating an additional \$390,534 in Community Development Block Grant (CDBG) Funds, \$74,719 in CDBG Program Income Funds, \$5,000 in HOME Investment Partnership Act (HOME) Program Funds, \$23,906 in HOME Program Income Funds, \$538 in Emergency Solutions Grant (ESG) Funds and \$48,794 in Cal HOME Funds.

**Fiscal Impact** – This action involves reallocating \$500,000 in FY 2018-2019 budgeted funds and carrying forward unexpended appropriations from FY 2017-2018 for various grant funds in the amount of \$543,491 to the FY 2018-19 operating budget, which will amend FY 2018-2019 revenue estimates. Please reference Attachment 2 – CDBG Funding Available to Appropriate for a detailed listing of CDBG activities with unexpended grant funds to be carried forward to FY 2018-2019.

**Public Noticing Requirements** – A Combined Notice of the Public Hearing and a 30-day Comment Period for the Amendment of the Consolidated Plan and Annual Action Plan was published on December 28, 2018 in the Inland Valley Daily Bulletin.

## EXECUTIVE SUMMARY

On June 18<sup>th</sup> 2018, City Council adopted a FY 2018-2019 Five-Year Consolidated Plan and a FY 2018-2019 Annual Action Plan. Now that FY 2017-2018 has come to a close, staff has identified unexpended funds that were budgeted for various grants, which must now be reallocated and appropriated into the FY 2018-2019 Budget. These unexpended funds come from projects that were either underway at the close of the fiscal year and need to be brought forward, programs that had funding that was not fully obligated during the previous fiscal year, or projects that are closed. The City may amend its FY 2018-2019 Consolidated Plan and FY 2018-2019 Annual Action Plan by holding a public hearing giving citizens the opportunity to comment on proposed budget changes.

## DISCUSSION

The City of Pomona currently receives the following entitlement funds from HUD: Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME) and Emergency Solutions Grant (ESG) funds. The City is required to have a Five-Year Consolidated Plan and an Annual Action Plan. The Consolidated Plan identifies community development and housing needs and provides an outline of goals and objectives to meet those needs. The Annual Action Plan details what activities the City will undertake and the amount of funding to be expended on the activities during the current fiscal year.

The Housing Division annually administers and implements over \$30 million in program funds. Based on unexpended funds from FY 2017-2018 and corresponding fund balances (unaudited), additional FY 2018-2019 appropriations and revenue adjustments are requested. The requested amendments to the Consolidated Plan, the FY 2018-2019 Annual Action Plan and the FY 2018-2019 City Operating Budget are as follows:

	Change to 2018-2019 <u>Revenue Estimate</u>	Requested <u>Appropriation</u>
<b><u>CDBG Funds</u></b>		
Housing Services (213-1791-40848-65103)	+ 290,534	\$ 290,534
Housing Improvement Program (213-1791-40848-65105)	+ <u>100,000</u>	\$ <u>100,000</u>
<b>TOTAL</b>	+ <b>390,534</b>	\$ <b>390,534</b>
 <b><u>CDBG Program Income</u></b>		
Housing Services (213-1791-40848-65103)	+ 59,776	\$ 59,776
CDBG Program Administration (213-1791-40848-65101)	+ <u>14,943</u>	\$ <u>14,943</u>
<b>TOTAL</b>	+ <b>74,719</b>	\$ <b>74,719</b>
 <b><u>HOME Funds</u></b>		
Single-Family Housing Rehabilitation (214-1793-40848-41803)	- 500,000	\$ -500,000
First-Time Homebuyer Program (214-1793-40848-41802)	+ 500,000	\$ +500,000
Home Program Administration (214-1793-40848-41801)	+ <u>5,000</u>	\$ <u>5,000</u>
<b>TOTAL</b>	+ <b>5,000</b>	\$ <b>5,000</b>

## HOME Program Income Funds

Public Hearing – Misc. Budget Amendments to the Consolidated Plan, 2018-19 Annual Action Plan and 2018-19 Operating Budget for Various Gant Funds

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First-Time Homebuyer Program (214-1793-40848-41802)	+ 21,517	\$ 21,517
Home Program Administration (214-1793-40393-41801)	+ <u>2,389</u>	\$ <u>2,389</u>
<b>TOTAL</b>	+ <b>23,906</b>	<b>\$ 23,906</b>

ESG Funds

ADMIN (212-1791-40848-63190)	+ 538	\$ 538
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CALHOME Funds

CAL HOME Funds (264-6727-40837-00000)	+ 7,750	\$ 7,750
CALHOME Reuse Funds (264-6726-40485-00000)	+ <u>41,044</u>	\$ <u>41,044</u>
<b>TOTAL</b>	+ <b>48,794</b>	<b>\$ 48,794</b>

Attachment #1 – Resolution

Attachment #2 – CDBG Funds Available to Appropriate

Prepared By: Beverly Johnson