



CITY OF POMONA COUNCIL REPORT

September 21, 2020

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Benita DeFrank, Neighborhood Services Director

SUBJECT: Public Hearing Amending the Consolidated Plan, the Fiscal year (FY) 2020-2021 Annual Action Plan and the FY 2020-21 City Operating Budget by Increasing Revenue Estimates and Appropriating Home Investment Partnerships Program (HOME), Community Development Block Grant (CDBG), Lead Hazard Reduction and Healthy Homes (LHRHH), CalHome Re-use and Section 8 Housing Choice Voucher Funds, and by Reallocating Budgeted Emergency Solutions Grant - Corona Virus (CV) and CDBG-CV Program Funds

RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

RESOLUTION NO. 2020-136 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AMENDING THE CONSOLIDATED PLAN, THE FISCAL YEAR (FY) 2020-2021 ANNUAL ACTION PLAN AND THE FY 2020-21 CITY OPERATING BUDGET BY INCREASING REVENUE ESTIMATES AND APPROPRIATING HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME), COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), LEAD HAZARD REDUCTION AND HEALTHY HOMES (LHRHH), CALHOME RE-USE FUNDS AND SECTION 8 HOUSING CHOICE VOUCHER FUNDS, AND BY REALLOCATING BUDGETED EMERGENCY SOLUTIONS GRANT-CORONA VIRUS (CV) AND CDBG- CV PROGRAM FUNDS

EXECUTIVE SUMMARY:

Annually, the Housing Services Division administers and implements over 15 different grants, totaling over \$30 million in program funds. As FY 2019-20 came to a close, staff identified program income and unexpended funds budgeted for various activities in FY 2019-20 which must be appropriated in FY 2020-21 for expenditure authority. These funds come from projects that were either underway at the time the fiscal year changed and need to be brought forward to

complete the projects, or programs that had funding that was not fully expended during the previous fiscal year.

The City also received additional administrative fee funding under the CARES Act, which need to be reflected in the current operating budget. Additionally, funding currently appropriated in the FY 2020-21 Operating Budget will be re-appropriated to eligible activities. The City may amend its FY 2020-2021 Consolidated Plan and FY 2020-2021 Annual Action Plan by holding a public hearing giving citizens the opportunity to comment on proposed budget changes.

FISCAL IMPACT: This action involves carrying forward unexpended appropriations from FY 2019-20 for various grant funds in the amount of \$2,171,710, increasing revenue estimates and appropriating funds for Cal Home Reuse and Section 8 Housing Choice Voucher Funds in the amount of \$355,100 to the FY 2020-21 City Operating Budget, and re-appropriating \$1,846,167 in FY 2020-21 budgeted funds.

PUBLIC NOTICING REQUIREMENTS: – A combined Notice of Public Hearing and 5-Day Comment Period for the Amendment of the Consolidated Plan and the Annual Action Plan was published on September 15, 2020 in the Inland Valley Daily Bulletin.

PREVIOUS COUNCIL RELATED ACTION: On June 29, 2020, the City Council approved the 2020-2021 City Operating Budget. On July 20, 2020, Council approved the amendment of the Consolidated Plan, the 2020-2021 Annual Action Plan and the FY 2020-21 City Operating Budget to increase revenue and appropriations to add the CDBG and ESG Corona Virus (CV) funding.

DISCUSSION:

The City of Pomona currently receives several housing funds: HOME Investment Partnerships Program (HOME), Community Development Block Grant, Lead Hazard Reduction and Healthy Homes, and CalHOME Re-use Program 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. At the close of FY 2019-20, various funding sources had unexpended fund balances, including CDBG, CDBG-CV, ESG-CV HOME, CalHOME and Lead Hazard Reduction funds. These unexpended funds will be appropriated in FY 2020-21 for programs and activities that are eligible under funding sources currently administered by the City.

NEW FUNDING AND RE-ALLOCATION OF BUDGETED FUNDS

On August 10, 2020, the Pomona Housing Authority was awarded additional administrative fee funding under the Corona Virus Aid Relief and Economic Security Act (CARES Act) in the amount of \$279,697. The funds are to be used for preventing, preparing and responding to the corona virus. In addition to these funds, the City needs to re-allocate CDBG-CV and ESG-CV CARES Act funding currently budgeted in the FY 2020-21 operating budget to other eligible corona-virus related activities. Finally, the City will be reappropriating \$188,701 in FY 20-21 CDBG-CV Housing Assistance funds to CDBG-CV Business Assistance funds.

Based on the requested re-appropriation of FY 2020-21 budgeted funds, appropriation of unexpended funds from FY 2019-20 fund balances (unaudited), and the increasing of revenue estimates and appropriations in Cal Home Reuse and Section 8 Housing Choice Voucher Funds, the amendments to the Consolidated Plan, the FY 2020-2021 Annual Action Plan and the FY 2020-21 City Operating Budget are as follows:

	Change to 2020-21 Revenue Estimates	Requested 2020-21 Appropriation
<u>HOME Funds</u>		
HOME Program Administration		
- (214-1793-40848-41901)	+ \$126,033	+ \$126,033
- (214-1793-40850-42001)	+ \$64,379	+ \$64,379
First Time Homebuyer Program		
- (214-1793-40848-41702)	+ \$125,963	+ \$125,963
- (214-1793-40848-41802)	+ \$122,234	+ \$122,234
Deferred Single Family Rehab		
- (214-1793-40848-41703)	+ \$238,961	+ \$238,961
- (214-1793-40848-41803)	+ \$75,467	+ \$75,467
CHDO 15% Set-Aside (214-1793-40850-42004)	+ \$11,024	+ \$11,024
	+ \$764,062	+ \$764,062
<u>Community Development Block Grant Funds</u>		
Business Assistance (213-1791-40848-65331)	- \$341,248	- \$341,248
Youth Programming (213-1798-40848-65336)	+ \$341,248	+ \$341,248
	0	0
Housing Improvement Program (213-1791-40848-65305)	+ \$73,090	+ \$73,090
CDBG Lead Services (213-1791-40848-65306)	+ \$2,435	+ \$2,435
Housing Services (213-1791-40848-65303)	+ \$14,435	+ \$14,435
	+ \$89,960	+ \$89,960
<u>Community Development Block Grant Funds – Corona Virus (CDBG-CV)</u>		
Food Provision (194-1798-40848-65332)	- \$200,000	- \$200,000
Burial Costs (194-1798-40848-65334)	- \$50,000	- \$50,000
Youth Programming (194-1798-40848-65336)	+ \$58,752	+ \$58,752
CDBG-CV Administration (194-1315-40848-65335)	+ \$191,248	+ \$191,248
	\$ 0	\$ 0
Housing Assistance (194-1791-40848-65330)	- \$188,701	- \$188,701
Business Assistance (194-1791-40848-65331)	+ \$188,701	+ \$188,701
	\$0	\$0
Business Assistance (194-1791-40848-65331)	+ \$161,299	+ \$161,299

Emergency Solutions Grant (ESG-CV1) Funds

Emergency Shelter (193-1791-40848-62919)	- \$375,000	- \$375,000
Street Outreach (193-1791-40848-63220)	- \$191,218	- \$191,218
Rapid Re-Housing – Project Roomkey (193-1791-40848-63228)	+ \$466,218	+ \$466,218
Homeless Prevention –Motel Vouchers (193-1791-40848-63229)	+ <u>\$100,000</u>	+ <u>\$ 100,000</u>
	\$ 0	+\$ 0

ESG-CV2 Funds

Emergency Shelter – Family Access Center (193-1791-40848-63224)	- \$500,000	- \$500,000
Emergency Shelter – Hope for Home Access Center (193-1791-40848-63227)	+ <u>\$500,000</u>	+ <u>\$500,000</u>
	\$ 0	\$ 0

Lead Hazard Reduction and Healthy Homes Funds

Lead Hazard Reduction (229-1791-40848-58706)	+ \$947,725	+ \$947,725
Healthy Homes (229-1791-40848-58707)	+ <u>\$170,155</u>	+ <u>\$170,155</u>
	+ \$1,117,880	+ \$ 1,117,880

CalHome Reuse Account Funds (257-6728-40485-00000)	+ \$113,912	+ \$113,912
--	--------------------	--------------------

Section 8 Housing Choice Voucher Funds

Section 8 (205-1803-40850-00000)	+ \$275,180	+ \$275,180
Mainstream (205-1804-40850-00000)	+ <u>\$ 4,517</u>	+ <u>\$ 4,517</u>
	+ \$279,697	+ \$279,697

COUNCIL PRIORITIES & GOALS: This supports the FY 2019/20 City Council Priority 1: Fiscal and Operational Responsibility – Goal C: Obtain additional grant funding and other revenues to help achieve City goals.

Prepared by:

Maria Siacunco, Housing Grants Supervisor

ATTACHMENT(S):

Attachment #1 – Resolution No. 2020-136