



**CITY OF GLENDALE, CALIFORNIA
REPORT TO THE JOINT MEETING: GLENDALE CITY COUNCIL AND
GLENDALE HOUSING AUTHORITY**

AGENDA ITEM

Report: FY 2024-2025 Proposed Annual Action Plan for Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnerships Act (HOME) Programs

1. Council Resolution adopting an Environmental Negative Declaration.
2. City Council Motion to approve a FY 2024-2025 CDBG, ESG, and HOME Annual Action Plan totaling \$3,710,552; authorize submission of the Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD), as recommended by the CDBG Advisory Committee, Glendale Homeless Continuum of Care Board, and staff; and authorize the City Manager, or a designee, to redirect excess, cancelled, or unused program funds under \$50,000 from one project to another with CDBG Advisory Committee approval.
3. Housing Authority Motion to approve a FY 2024-2025 CDBG, ESG, and HOME Annual Action Plan totaling \$3,710,552; and authorize submission of the Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD), as recommended by the CDBG Advisory Committee, Glendale Homeless Continuum of Care Board, and staff.

COUNCIL ACTION

Item Type: Action Item

Approved for June 4, 2024 **calendar**

EXECUTIVE SUMMARY

Staff is requesting approval of the proposed FY 24-25 CDBG, ESG, and HOME Annual Action Plan in the amount of \$3,710,552 and authorization for submission to HUD for final approval.

The CDBG Advisory Committee made funding recommendations for the CDBG program, as outlined in Exhibit 1, based on program priorities, an estimated entitlement allocation from HUD, canceled/returned project funds and undesignated fund balance from previous program years.

The Committee reviewed proposals from community agencies for Public Social Services (PSS) and Capital Improvement Projects (CIP), conducted interviews with agencies and recommended funding eleven community agencies for PSS and two for CIP, and two City CIP projects, Pacific Natural Grass, and Pac/Ed Artificial Turf Project for FY 24-25.

The CoC Board approved the FY 23-24 funding recommendations for the ESG Program, and based on program priorities, for an entitlement allocation of \$152,207. The ESG funding plan is a two-year plan. The funding allocation for FY 24-25 in the amount of \$155,123, an increase of \$2,916 from previous year, was approved by the CoC Board on June 4, 2024.

The Housing Authority uses HOME funding to develop affordable housing projects and programs. It periodically updates a Statement of Interest to reflect funding and priorities for the HOME allocation it receives each year from HUD. It also seeks input from community members through the Annual Action Plan process. Funding priorities for FY 24-25 include affordable rental development for new construction and/or acquisition of 920 E. Broadway plus administrative costs.

RECOMMENDATION

That the City Council approve a Resolution adopting an Environmental Negative Declaration, and adopt a motion to approve FY 24-25 CDBG, ESG, and HOME Annual Action Plan totaling \$3,710,552; authorize submission of the Annual Action Plan to HUD, and authorize the City Manager to redirect excess, cancelled or unused program funds under \$50,000 from one project to another with CDBG Advisory Committee approval.

That the Housing Authority adopt a Motion to approve FY 24-25 CDBG, ESG, and HOME Annual Action Plan totaling \$3,710,552; and authorize submission of the Annual Action Plan to HUD.

ANALYSIS

The City of Glendale has been receiving CDBG funds from HUD since the inception of the program in 1974, thereby, marking it the 50th anniversary of the Glendale CDBG program. The Emergency Solutions Grant (ESG) program was added in 1987, and the Home Investment Partnerships (HOME) program was added in 1992.

The national and local objectives of the CDBG program are to:

1. eliminate conditions of slums and blight, and
2. provide programs and services that benefit low and moderate-income persons, including the homeless.

The objectives of the ESG program are to:

1. engage homeless individuals and families living on the street;
2. improve the number and quality of emergency shelters for homeless individuals and families;
3. help operate these shelters;
4. provide essential services to shelter residents;
5. rapidly re-house homeless individuals and families; and
6. prevent families and individuals from becoming homeless.

The objective of the HOME program is to provide and preserve affordable housing for low-income persons.

The City is responsible for following HUD guidelines and developing a 5-year Consolidated Plan and an Annual Action Plan for the use of the funds.

Consolidated Plan

As a condition of eligibility for CDBG, ESG, and HOME entitlement funds, the City is required to submit to HUD a five-year strategic plan "Consolidated Plan" for the use of these funds. The current Five Year 20-25 Consolidated Plan (ConPlan) was approved by the City Council in June 2020 and approved by HUD, thus making FY 24-25 the fifth year of a five-year cycle. The ConPlan provides a profile of the City, and establishes program priorities, funding strategies and proposed goals for addressing community development,

housing, and homeless needs in the community. The ConPlan also incorporates other funding sources, programs and initiatives that assist in addressing the City's community development, housing, and homeless needs; and strategies for leveraging and coordinating these resources.

The ConPlan is the primary planning document that HUD uses to measure the City's effectiveness and to approve the submission of Annual Action Plans and other funding applications to HUD. The Annual Action Plans are comprised of specific projects the City plans to implement to meet the objectives of the ConPlan every fiscal year.

Annual Action Plan

In developing the Annual Action Plan, HUD requires that the City involve citizens in the plan development and approval process. This process includes is a combined effort for CDBG, ESG, and HOME programs and includes community meetings, board meetings and oversight boards.

CDBG:

The most prominent program in the ConPlan/Action Plan development process, is the CDBG program. Annual planning for the CDBG program includes outreach to Glendale non-profit community agencies to introduce the CDBG program and process; hosting a community meeting to identify community needs and set program priorities, pre-designating funds to City CIP; issuing a Request for Proposal (RFP) to community agencies for PSS programs and CIP; working with the CDBG Advisory Committee to review the proposals, interview the agencies that submitted proposals and recommend funding community agencies; monitoring current fiscal year programs; and reallocating funds as necessary.

CDBG ADVISORY COMMITTEE:

To achieve citizen involvement in plan development and approval process, the City Council appoints a citizen CDBG Advisory Committee, whose responsibility it is to help oversee the CDBG planning process.

The Committee's current responsibilities include:

- Reviewing and commenting on the annual community needs assessment strategy.
- Recommending program priorities, based on findings from the needs assessment, as well as input from the City Council;
- Evaluating funding proposals;
- Interviewing community agencies and City departments that submit project proposals;
- Recommending projects for funding;
- Reviewing sub-recipient performance, such as site visits and outcome reviews;
- Reviewing and approving revisions or amendments to projects throughout the program year; and
- Reviewing and recommending reprogramming of CDBG funds.

The current CDBG Advisory Committee is comprised of the following members:

<u>Committee Member</u>	<u>Appointing Council Member</u>
1. Armik Avedisian (Chair)	Councilmember Ardy Kassakhian
2. Marina Manoukian (Vice Chair)	Mayor Elen Asatryan
3. Zanku Armenian	Councilmember Daniel Brotman
4. Anita Quiñonez-Gabrielian	Former Councilmember Paula Devine
5. Ronnie Gharibian	Councilmember Ara Najarian

CDBG funds are divided into three categories: Program Administration, Public Social Services, and Capital Improvement Projects.

Administration (Planning, Program Management and Oversight):

HUD allows jurisdictions to use 20% of their CDBG entitlement funds for administration of the CDBG program to ensure that they have the capacity to comply with the administratively laden HUD requirements and minimize financial risks. The core functions of Administration are planning, monitoring, contract compliance, financial management and project coordination. HUD is becoming stricter in requiring more low-income documentation from the sub-recipients in order to show eligibility for CDBG funds, which translates to greater financial risk and need for management and oversight.

Public Social Services:

HUD imposes a statutory limit of 15% on the amount of CDBG entitlement funds that can be used for social services regardless of how great the local need is for these services.

The basic HUD eligibility criteria for social service projects are: 1) the program constitutes a new or expanded level of service at the time that it is first funded, 2) the program serves over 60% low-income families (those who earn less than 80% of the County median), and 3) the CDBG funds are not used to substitute another available funding source. In addition to HUD eligibility criteria, agencies will have to meet financial capacity prequalification guidelines, such as submission of two years of financial statement compilations and copies of Board minutes approving the financial statements, to be eligible to apply for City's CDBG Program funds.

Capital Improvement and Neighborhood Improvement Projects:

Generally, capital and neighborhood improvement funds represent 65% of CDBG entitlement funds, plus any available reprogrammed funds, which can only be used for capital and neighborhood improvement projects. Projects that qualify for this funding category include: community centers, such as parks, libraries, recreation centers, senior centers, youth centers, employment centers and social service centers; handicapped accessibility projects anywhere in the City; public improvements in low income neighborhoods; commercial rehabilitation; and economic development projects.

Traditionally, as part of the funding allocation plan, the City Council pre-designates and pre-approves City CIP deemed a priority and authorizes the issuance of a Request for Funding Proposal (RFP) to community agencies for the remainder of the CDBG funds.

Proposals are solicited from community agencies for PSS and the balance of capital improvement funds for community CIP. Any qualified non-profit community agency or public agency is eligible to apply for CDBG funds provided that projects meet one of the two broad national objectives: 1) serving low-income persons, or 2) preventing or eliminating conditions of slums and blight. In addition, funded projects are required to serve primarily Glendale residents and not to discriminate in the provision of services. Furthermore, projects that meet the identified program priorities are given preference for funding.

The proposal evaluation criteria used by the CDBG Advisory Committee includes:

- 1) Overall quality of the proposal;
- 2) Whether the project meets a program priority;
- 3) Ability of the applicant to substantiate that the project meets a community need;
- 4) Whether the proposal clearly articulates a target population/outreach strategy;
- 5) Financial capacity of the organization,
- 6) Demonstration of coordination and collaboration with other agencies/programs;
- 7) Program goals and outcomes;
- 8) Feasibility of proposed implementation plan;
- 9) Budget, cost effectiveness and leveraging of funds; and
- 10) Demonstrated experience, effectiveness, and administrative capacity of sponsoring Organization/City Department, including performance history.

Additional tools provided to the Committee to evaluate capacity and effectiveness of proposals include: 1) mid-year performance reports, 2) financial analysis report prepared by staff for each non-profit organization, and 3) proposal evaluation rating forms.

ESG PROGRAM:

The ESG Program follows the same process as CDBG, in terms of identification of homeless priorities, issuance of RFPs and proposal evaluation, except that ESG funding proposals are reviewed and recommended by a separate homeless proposal review committee comprised of the Continuum of Care (CoC) Board. The CoC Board is guided by the specific needs of the CoC model of homeless services adopted by the Glendale CoC. The ESG funding plan is developed is a two-year plan. ESG programs that request continued funding for the subsequent year and meet their program outcomes and performance goals are allowed to be renewed for funding subject to review and approval by the CoC Board.

The published national objective of the ESG program is to help with the expansion, improvement and operation of emergency shelter facilities, supportive services, rapid re-housing, and homeless prevention.

The current CoC Board is comprised of the following members:

<u>Board Member</u>	<u>Agency</u>
Melissa Younesian, Chair	Verdugo Jobs Center
Lt. Alex Krikorian, Vice Chair	Glendale Police Department
Hagop Eulmessekian	Glendale Unified School District
BC Jeffrey Brooks	Glendale Fire Department
Vacant	Homeless Alumni

HOME

The Housing Authority is a Participating Jurisdiction under the HOME Program. As such, it receives an allocation each year directly from HUD to carry out affordable housing programs and projects.

The Housing Authority periodically updates a Statement of Interest to reflect its funding priorities. Like the CDBG and ESG programs, it seeks input from the community through the Annual Action Plan process to determine what housing needs exist. It also solicits Requests for Proposal from developers when sufficient funding is available for development of an affordable housing project. A review team consisting of city staff reviews proposals and provides recommendations to the Housing Authority for viable affordable housing developments.

The Housing Authority uses HOME funding, as well as other funding sources including Low Moderate Income Housing Asset Fund (LMIHAF), and Section 8 Housing Choice Voucher Program to create affordable housing programs and projects. The City Council can also assign General Fund funds to housing related purposes.

The FY 2024-2025 Annual Action Plan process for CDBG began on September 6, 2023, when staff held an annual CDBG Open House event in a virtual platform inviting over 99 non-profit organizations to participate via Microsoft Teams. 17 representatives from 15 non-profit community agencies attended the Open House to learn about the CDBG program.

In the Fall of 2023, a community meeting was held to gather input from residents to identify needs and determine program priorities for CDBG, ESG and HOME. Four platforms were used to gather comments, which included: 1) in-person community meeting, 2) a virtual community meeting via Microsoft Teams 3) email, and 4) Telephone call-in option.

In total, three people attended the in-person community meeting. One resident participated in the virtual community meeting and two email comments were received.

On November 14, 2023, as part of the annual program planning cycle, staff presented the CDBG Advisory Committee recommendations to City Council/Housing Authority for approval and they approved: a preliminary proposed FY 24-25 CDBG Funding Allocation

Plan by Funding Category; program priorities; and issuance of an RFP for PSS programs and CIP based on estimated \$1,700,000 CDBG entitlement funding from HUD.

A mandatory Technical Support Workshop was held on December 5, 2023 to review the new CDBG RFP cycle and to provide in-person demonstration/training to community agencies utilizing the new ZoomGrants System, an online grant management system implemented this year. Upon completion of the workshop, agency attendees received a link to ZoomGrants to begin the RFP application process.

The Proposed FY 24-25 Funding Allocation Plan by Funding Category originally approved by Council/Housing Authority in November 2023 is based on an estimated \$1,700,000 in CDBG entitlement funds, \$ 552,629 in canceled/returned project funds and \$146,795 in undesignated funds:

- \$340,000 (20%) for Administration (planning, program management and oversight)
- \$255,000 (15%) for public social services programs
- \$1,632,583 (65%) for capital improvement projects
 - \$870,000 for pre-designated City projects
 - \$762,583 undesignated and available to community agencies for community capital improvement projects under an RFP

REQUEST FOR PROPOSAL PROCESS:

When the RFP was issued on November 20, 2023, it was based on the estimated \$1,700,000 in entitlement funds. Fourteen CDBG PSS and CIP funding proposals were received and evaluated by staff and the CDBG Advisory Committee through a Strength and Weakness Analysis via ZoomGrants.

The Committee, in two full day sessions on March 1, 2024, and March 4, 2024, interviewed each community agency requesting PSS and CIP funds, respectively. The Committee deliberated and developed funding recommendations based on an estimated CDBG entitlement amount, canceled/returned project funds, and undesignated fund balance.

The final FY 24-25 HUD Entitlement Funds for all programs is summarized below and is part of the final proposed Annual Action Plan: (See Exhibit 2)

CDBG	\$1,733,207 + \$699,424 (canceled/returned funds + fund balance)
ESG	\$ 155,123
HOME	<u>\$1,247,169 + \$129,999 (Program Income)</u>
Total	\$3,964,922

Based on the final HUD allocations, the final proposed FY 24-25 Funding Allocation Plan for the CDBG Program is as follows:

- \$259,980 (15% of entitlement funds) for PSS.

- \$1,826,010 (65% of entitlement funds and undesignated fund balance) for CIP
 - \$870,000 for pre-designated City projects
 - \$701,640 for community agency CIP
 - \$254,370 undesignated fund balance for FY 2024-2025
- \$346,641 (20% of entitlement funds) for planning, program management and oversight.

Public Social Services

Eleven proposals were received for PSS programs totaling \$622,789 which was \$362,809 over the available amount of \$259,980. All eleven programs were recommended for funding. The Committee recommendations were based on a lower total amount available as the final HUD allocations were not available at the time of the meeting. The Committee also approved a CDBG Contingency Plan, to give staff direction on how to adjust the funding recommendations should the final HUD allocations come in higher/lower than the estimate. The CDBG Contingency Plan was to equally increase or decrease funding to all funded agencies, except for the Housing Rights Center, based on the final HUD allocation, but would not decrease funding from a funded agency if the recommended funding is \$10,000. Below is a summary table of Public Social Services final funding recommendations for FY 2024-2025:

<u>PROGRAM CATEGORY/PROJECTS/SPONSOR</u>	<u>RECOMMENDED FY 24-25 FUNDING</u>
<u>YOUTH AND TEEN PROGRAMS:</u>	
AESA STEM Academy, Armenian Engineers and Scientists of America	\$10,498
Intervention/Prevention Clinical Group Counseling, CASPS	\$34,498
Youth Employment Program, Glendale Youth Alliance (GYA)	\$15,498
<u>Subtotal</u>	\$60,494
<u>ADULT COUNSELING & CASE MANAGEMENT PROGRAMS:</u>	
Pro Bono Legal Clinic, Armenian Bar Association	\$20,498
Community Outreach Program, Armenian Relief Society	\$65,498
Fair Housing Program, Housing Rights Center (Additional funding from Section 8 Earned Administration Funds- \$10,000 for a total allocation of \$20,000)	\$10,000
<u>Subtotal</u>	\$95,996
<u>HOMELESS PROGRAMS:</u>	
Glendale Community Center Loaves and Fishes, Catholic Charities of Los Angeles, Inc.	\$28,898
Homeless Outreach Program, Ascencia	\$10,498
Crisis Aid for Homeless Families, Home Again, Los Angeles	\$15,498
Domestic Violence Mental Health & Case Management, Door of Hope	\$20,498
Mental Health Services for Survivors of Domestic Violence, YWCA of Glendale and Pasadena	\$28,098
<u>Subtotal</u>	\$103,490
TOTAL PUBLIC SOCIAL SERVICES:	\$259,980

The highest percentage of PSS funding is recommended for homeless services programs at 40% (\$103,490). The next highest funding allocation by program type is adult counseling and case management programs at 37% (\$95,996) and lastly, youth programs, which include: in-school programs, enrichment programs, afterschool programs, youth employment, and teen programs at 23% (\$60,494).

In addition to the CDBG funding for PSS programs, the City uses other non-CDBG funds to leverage programs provided by community agencies. For example, the City has leveraged Section 8 Earned Administration funds and CDBG funds to fund the Housing Rights Center's (HRC) Fair Housing Program for fair housing services and tenant landlord information. The current contract amount for the FY 23-24 Fair Housing Program is \$20,150 which includes \$10,150 in CDBG funding and \$10,000 in Section 8 Earned Administration funding.

For FY 24-25, a similar split is recommended for Council/Housing Authority approval, \$10,000 in CDBG funding and \$10,000 in Section 8 Earned Administration funding for a total of \$20,000 to be allocated to the Housing Rights Center's Fair Housing program for FY 24-25. Section 8 Earned Administration funding for the HRC contract is budgeted in the FY 24-25 Community Development Section 8 budget.

Capital Improvement Projects

Three community agencies submitted CIP proposals for consideration, totaling \$1,464,223. The FY2024-2025 CIP allocation is \$1,126,586, plus additional funding from completed, returned, and/or canceled projects in the amount of \$699,424 from previous program years, for total CIP funding of \$1,826,010.

The Committee recommended fully funding two City projects and two community agency projects for FY 24-25.

Door of Hope who had requested \$762,583 in funding for the DV Transitional Housing Expansion Phase I project was not recommended for funding as their proposal and interview reflected that the agency is awaiting final decision on other grant funds and could not confidently determine total project budget, or identify leveraged funds at the March 4, 2024 meeting of the CDBG Advisory Committee to move forward with the project.

The Committee decided to resume discussion on CIP project recommendations at the August 2024 meeting, when final funding allocations and additional CDBG funds from other canceled projects would be made available for programming. Therefore, \$254,370 remains unprogrammed in CIP and will be brought back to the City Council at a later date.

Below is a summary table of the Capital Improvement Project final funding recommendations for FY 2024-2025:

<u>RECOMMENDED PROJECT/SPONSOR</u>	<u>RECOMMENDED FY 24-25 FUNDING</u>
<u>COMMUNITY CAPITAL IMPROVEMENT PROJECTS</u>	
Bathroom Renovation Project, Homenetmen Ararat Chapter	\$433,540
Glendale Community Center Project, Catholic Charities of Los Angeles	\$268,100
<u>Subtotal</u>	\$701,640
<u>PRE-DESIGNATED CITY PROJECTS</u>	
Pacific Natural Grass Project, Community Services & Parks	\$370,000
Pac/Ed Artificial Turf Project, Community Services & Parks	\$500,000
<u>Subtotal</u>	\$870,000
<u>UNDESIGNATED FUND BALANCE FROM PREVIOUS PROGRAM YEARS TO REMAIN AS BALANCE UNTIL PROGRAMMED IN AUGUST 2024</u>	\$254,370
TOTAL CAPITAL IMPROVEMENT FUNDING AVAILABLE:	\$1,826,010

CDBG Cancelled/Unused Funds

Furthermore, staff is requesting for Council to authorize the City Manager to redirect excess, cancelled, or unused program funds under \$50,000 from one project to another with CDBG Advisory Committee approval. This authorization will allow staff to work with the CDBG Advisory Committee to reallocate funds, should there be a need, without having to come back to Council for such a small amount.

Exhibit 3 provides a Summary List of FY 24-25 CDBG Funds Requested and Recommended for Funding Based on Estimated and Final Allocations.

ESG PROGRAM:

On March 9, 2023, the CoC Board met and recommended funding four existing ESG community projects for FY 23-24. Programs that were approved for funding in FY 23-24 by the CoC Board and meet their outcomes and performance goals may be recommended for renewal for FY 24-25.

The previously approved funding recommendations have been updated based on the FY 24-25 funding allocation, which is \$2,916 more than the previous year (Exhibit 7.) Traditionally, no more than 40% of the total allocation can be used for Shelter Operations.

The FY 2024-25 ESG funding recommendations are as follows:

Ascencia- Emergency Housing Program	\$33,703
YWCA of Glendale-Domestic Violence Housing & Emergency Shelter Program (Rapid Re-Housing)	\$26,500
Catholic Charities- Loaves & Fishes Homeless Prevention Program	\$37,236
HOME Again LA (New) Rapid Re-Housing Program	\$51,365
City HMIS	\$0
Accounting for use of Grant Administration	\$6,319
GRAND TOTAL	\$155,123

It's important to note that State funding of \$50,000 was utilized to provide additional funding to the following agencies based on the CoC Board's recommendation:

YWCA of Glendale-Domestic Violence Housing & Emergency Shelter Program (Rapid Re-housing)	\$38,750
Ascencia Ascencia- Emergency Housing Program	\$11,250

HOME PROGRAM:

HOME projects are not solicited in the same manner as the CDBG and ESG programs. Specific HOME projects are developed by the Housing Authority on an ongoing basis (through a continuous Statement of Interest that is updated periodically to reflect funding and priorities and through a RFP process when sufficient funds are available for a feasible development project). Also, as part of the process of developing the Annual Plan, HUD requires input from the community regarding housing needs and housing programs for the Housing Authority to consider when approving housing programs and projects. The HOME planning and budgeting process is currently underway and the FY 24-25 Affordable Housing Budget will be brought to the Housing Authority for review in June 2024. In addition to HOME funds, the Affordable Housing Budget also includes Section 8 Rental Assistance, federal CoC homeless funds, BEGIN Homeownership Program, the Affordable Housing Trust Fund expenditures, General Fund funding for the Monthly Housing Subsidy Program, and program income from Low Moderate Income Housing Asset Fund.

The funding plan for the use of HOME funds will be determined by the Housing Authority as part of the Housing Authority's review and approval of the annual Affordable Housing

Budget, with consideration given to input received regarding housing needs as part of the CDBG, ESG and HOME Annual Plan community needs assessment process.

The HOME program is one of four major housing resources addressed in the City's 20-25 Consolidated Plan. The table below shows the four major funding sources and two additional funding sources, estimated FY 24-25 revenues from each, and percentage of total revenues for each.

Estimated Affordable Housing Revenue FY2024-2025

Funding Source	Estimated Revenue	Percent of Total Revenue
HOME Investment Program	\$1,377,168	2.50%
Low Moderate Income Housing Asset Funds	\$200,000	0.36%
Section 8 Housing Choice Voucher Program	\$49,293,582	89.63%
Affordable Housing Trust Fund	\$252,980	0.46%
BEGIN Homeownership Program	\$10,000	0.02%
Monthly Housing Subsidy Program	\$934,319	1.70%
CoC Homeless Competitive Funding	\$2,930,721*	5.33%
TOTAL FUNDS	\$54,998,770	100%

* Carryover funds from FY 23-24

Generally, the budget allocates the majority of HOME funds for use in projects and programs that increase affordable housing opportunities and supply. Based on the current housing market, the greatest opportunity for increasing the affordable housing supply in the next year is through the Affordable Rental – New Construction and Acquisition/Rehabilitation Program. HOME funds are restrictive in that they can only be used for lower income households. Other HOME fund requirements typically include: a 25% match by developers; a reserve of 15% for a Community Housing Development Organization (CHDO); federal prevailing wages for larger housing projects; a commitment of funds to a specific project within 24 months (temporarily suspended); and a requirement for expenditure of funds within five years.

The entitlement amount for HOME funds in FY 2024-2025 is **\$1,247,169**, a 20.8% decrease from the FY 23-24 grant amount. In addition, \$129,999 is also available from HOME program income for FY 24-25 HOME projects. HOME funds from FY 24-25 and prior years represent the majority of funds that will be available in FY 24-25 for new construction of affordable housing units.

Therefore, it is recommended that the funding strategies for the HOME program in FY 2024-2025 include:

- Affordable Rental Development-New Construction and/or Acquisition
\$1,052,376
- 15% CHDO Reserve
\$187,075

It is also recommended to appropriate \$137,717 for administration to pay for costs associated with planning, reporting, project development, and compliance monitoring of HOME projects. This amount is equal to 10% of the 2024 HOME entitlement amount, plus 10% of program income.

STAKEHOLDERS/OUTREACH

PUBLIC COMMENT:

HUD requires the City to publish a notice regarding CDBG, ESG and HOME funding recommendations in the newspaper, and conduct a public hearing to receive public comments. The CDBG Advisory Committee directed staff to look into additional ways to get resident comments. This year outreach efforts included an in-person meeting at Pacific Community Center on Wednesday, April 10, 2024, a virtual Public Hearing scheduled on Thursday, April 11, 2024, via Microsoft Teams as well as an option to send public comments by way of mail, email, or telephone call between March 14, 2024, through April 12, 2024.

On March 14 and 21, 2024 a public notice was published in the Glendale Independent. Furthermore, on March 19, 2024, the City posted a public notice on the City's webpage, social media, and in the Community Services & Parks Department (CSP) Newsletter informing residents of a public comment period of March 14, 2024 to April 12, 2024. Furthermore, reminder e-mails were sent out to CSP contact lists, community non-profits, and posted on social media with reminders two to three days before the virtual meeting.

Three residents attended the in-person Public Hearing and eight attended the virtual meeting. No email or telephone comments were received. All comments via in-person meeting and Microsoft Teams were received and recorded in Exhibit 4.

FISCAL IMPACT

The CDBG funding recommendation for FY 24-25 was budgeted at an estimated \$2,199,847 as part of the budget process. The actual funding recommendation totals \$2,178,261; thus, staff will reduce the CDBG budget by \$21,586.

The FY 24-25 CDBG, ESG, HOME Annual Action Plan is based on a \$3,710,552 budget, which was included as a part of the FY 24-25 proposed budget.

Amount	Funding Source
\$2,178,261	CDBG Fund
\$ 155,123	Emergency Solutions Grant Fund
\$1,377,168	Home Grant Fund (\$1,247,169) and Program Income (\$129,999)
\$3,710,552	Total

ENVIRONMENTAL REVIEW (CEQA/NEPA)

The Community Development Department, after conducting an Initial Study, prepared a Negative Declaration for the FY 24-25 Annual Action Plan that was circulated for a 20-day public review period from April 11, 2024, to May 1, 2024. No comments were received. (Exhibit 5)

Upon the Council's and the Authority's approval of the Annual Action Plan and the adoption of the Resolution for the Environmental Negative Declaration, staff will place a 30-day notice in the newspaper informing the public that the approved Plans are available for study and comment. The Annual Action Plan will be submitted to HUD and implementation of the FY 24-25 CDBG, ESG, and HOME programs will commence on July 1, 2024.

CAMPAIGN DISCLOSURE

The names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest in the company proposed for contract in this Agenda Item Report are attached in **Exhibit 6**, in accordance with the City Campaign Finance Ordinance No. 5744.

ALTERNATIVES TO STAFF RECOMMENDATION

City Council

Alternative 1: Do not approve the FY 24-25 CDBG, ESG, and HOME Annual Action Plan.

Alternative 2: Consider any other alternative not proposed by staff.

Housing Authority

Alternative 1: Do not approve the FY 24-25 CDBG, ESG, and HOME Annual Action Plan.

Alternative 2: Consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Submitted by:

Onnig Bulanikian, Director of Community Services and Parks
Bradley Calvert, Director of Community Development

Prepared by:

Tereza Aleksanian, Assistant Director of Community Services and Parks
Arsine Isayan, Homeless Programs Coordinator
Pamela Jackson, Housing Coordinator
Maggie Kavarian, Community Services Manager

Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS/ATTACHMENTS

1. FY 2024-2025 Proposed CDBG Funding Allocation Plan by Funding Category
2. Proposed FY 2024-2025 Annual Action Plan for CDBG, ESG and HOME Programs
3. Summary List of FY 2024-2025 CDBG Funds Requested and Recommended for Funding Based on Estimated and Final Allocations
4. Summary of Public Hearing and Public Comments
5. Proposed Negative Declaration
6. Campaign Finance Disclosures
7. FY 2024-2025 ESG Funding Allocation