



# Staff Report

City Council

Item No. {{section.number}}.C

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**Meeting Date:** September 11, 2024

**From:** John A. Corella - Director of Public Works

**Title:** Approve the FY 2023-2024 Community Development Block Grant Consolidated Annual Performance Evaluation Report for Submittal to the U.S. Department of Housing and Urban Development

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**RECOMMENDATION:**

To approve the city's Community Development Block Grant (CDBG) Fiscal Year (FY) 2023-2024 Consolidated Annual Performance Evaluation Report (CAPER) for submittal to the U.S. Department of Housing and Urban Development (HUD).

**BACKGROUND:**

The CDBG program is a federal program administered by HUD. The city has received CDBG funds directly from HUD since 2012 when the city became an entitlement grantee. CDBG funding is used to address a variety of housing and community development needs, which are prioritized during the five-year Consolidated Plan (ConPlan) process.

As a requirement of the CDBG program, local jurisdictions need to comply with various reporting requirements, such as the ConPlan, the Annual Action Plan (AAP), and the CAPER. The CAPER reports on the actual accomplishments and expenditures per fiscal year. The FY 2023-2024 CAPER, once approved, becomes a document supporting the city's FY 2022-2026 ConPlan.

**DISCUSSION:**

The FY 2023-2024 CAPER describes the accomplishments and expenditures for projects approved in the FY 2023-2024 AAP, which is the city's second fiscal year programmed in the five-year ConPlan.

The FY 2023-2024 CAPER includes information regarding:

- Amount of funds invested in projects and activities,
- Descriptions of households assisted by CDBG funds,
- Actions taken to affirmatively further fair housing,
- Other information relevant to the status of grant-funded projects administered by the city to improve housing and community development needs.

The following information summarizes how the City managed the CDBG program utilizing

CDBG funds:

**Administrative Allowance**

The administrative allowance is capped by HUD at a maximum of twenty percent (20%) of the city’s entitlement grant amount. The use of funds allocated are restricted to the management of the overall CDBG program. During the last fiscal year, consulting costs, city staff salaries and wages, and related costs from city staff involved in the management of the CDBG program were reimbursed with the administrative allowance.

To accomplish the City’s fair housing goals, \$20,000 was programmed under the administrative allowance to fund the Inland Fair Housing and Mediation Board (IFHMB). This Board was contracted to assist the city to affirmatively further fair housing by providing low-and moder-income residents with information about their fair housing rights and to resolve landlord-tenant disputes. IFHMB has met their annual target goals and has fulfilled their contract obligation.

There is a remaining balance of \$28,910 from consulting costs that will be reprogrammed to the FY 2024-2025 program via amendment.

**Public Improvements Allowance**

The public improvements allowance is restricted to fund the rehabilitation and reconstruction of public infrastructure in low-and-moderate income areas. This allowance is not capped by HUD.

For FY 2023-2024, the city committed CDBG funds in the amount of \$445,646 to the Via De Anza Street Improvements Phase III Project, for the reconstruction of residential streets located in Census Tracts 449.15 (Block Group 1). The project included construction of sidewalk, curb, gutter, ADA-compliant curb ramps, driveways, and installation of new asphalt concrete. The project is currently under construction. Once completed, if there are remaining CDBG funds remaining from the project, these funds will be reprogrammed via amendment.

Additionally, the City Council approved the Sidewalk Repair Assistance Program in the amount of \$10,000 to be funded with the City’s FY 2023-2024 CDBG public improvements allowance. During the reporting year, the City did not receive any applications for this program, thus no funds were expended. Therefore, the \$10,000 will be reprogrammed through an amendment in FY 2024-2025.

The table below summarizes how the City managed its program and utilized its CDBG funds:

<b>FY 2023-2024 ADMINISTRATIVE</b>	<b>BUDGETED</b>	<b>SPENT</b>	<b>BALANCE</b>
Planning and Administration	\$113,911	\$113,911	\$0.00
Inland Fair Housing & Mediation Board (IFHMB)	\$ 20,000	\$ 20,000	\$0.00
The Ramsay Group	\$ 50,000	\$ 21,090	<b>\$28,910</b>

<b>FY 2023-2024 PUBLIC IMPROVEMENTS</b>	<b>BUDGETED</b>	<b>SPENT</b>	<b>BALANCE</b>
Via De Anza Street Improvements Phase III	\$445,646	\$190,980.09	<b>\$254,665.91</b>
Sidewalk Repair Assistance Program	\$ 10,000	\$0	<b>\$10,000</b>

The FY 2023-2024 CAPER was prepared utilizing the HUD-required eCon Planning Suite. The draft of the CAPER is attached to the staff report.

**PUBLIC NOTICE**

The city’s communication participation plan (CPP) requires the CAPER to be made available for fifteen (15) days to give residents and the rest of the community an opportunity to review and comment on the information reported for the FY 2023-2024. The draft CAPER was made available from August 21, 2024, through September 5, 2024. Any public comments received will be included in the CAPER document as an attachment prior to submitting the final document to HUD. No comments were received as of this time. No public hearing is required for the approval of the CAPER.

Upon City Council approval, the FY 2023-2024 CAPER will be submitted to HUD for review and acceptance.

City staff recommends the City Council approve the City’s CDBG FY 2023-2024 CAPER for submittal to the HUD.

**ENVIRONMENTAL ANALYSIS:**

The action before the City Council is exempt from environmental review pursuant to Section 15060 ( C ) (2) and ( C ) (3) of the Guidelines of the California Environmental Quality Act (CEQA) in that the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment; and the activity is not a project as defined in Section 15378 of the CEQA Guidelines.

**FISCAL IMPACT:**

The City’s HUD entitlement for FY 2023-2024 was \$569,557. City staff is proposing to reallocate remaining funds from prior years by amendment within FY 2024-2025. This amendment will be presented to the City Council for approval at a later date.

**FIVE-YEAR STRATEGIC PLAN:**

GOAL C: FISCAL STABILITY AND SUSTAINABILITY

Objective: Allocate resources necessary to achieve the Council’s Goals and Vision

**ATTACHMENTS:**

1. FY 2023-2024 Draft CDBG CAPER