



## Legislation Details (With Text)

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**File created:** 10/1/2020      **In control:** City Council/Public Finance and Economic Development Authority/Parking Authority  
**On agenda:** 10/19/2020      **Final action:**  
**Title:** SUBJECT: Public Hearing - Reintroduction and Review of the Draft U.S. Department of Housing and Urban Development (HUD) 2020-2024 Five-Year Consolidated Plan, 2020 First-Year Annual Action Plan, and 2020 Analysis of Impediments to Fair Housing Choice; Proposed Expenditure of CDBG and HOME Funds for FY 2020-2021; and, Opportunity for Public Comment and Participation

### REPORT IN BRIEF

Presentation and discussion of the goals, priorities, and projects included in the Draft HUD 2020-2024 Consolidated Plan, 2020 First-Year Annual Action Plan, and 2020 Analysis of Impediments to Fair Housing Choice; and, provide the public with an opportunity to provide their input to the draft plans during the public hearing.

### RECOMMENDATION

City Council -

A. Conduct a public hearing to receive the public's input regarding the Draft 2020-2024 Five-Year Consolidated Plan, 2020 Annual Action Plan, and 2020 Analysis of Impediments to Fair Housing Choice; and,

B. Provide Council comment, if any, regarding the Draft Consolidated Plan, Draft Annual Plan, and Draft Analysis of Impediments to Fair Housing Choice; and,

C. Continue the Public Hearing to the November 16, 2020, City Council meeting.

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. Draft Consolidated and First-Year Annual Action Plan, 2. Analysis of Impediments to Fair Housing Choice.pdf, 3. List of Community Organization Funding Applications and Recommended Allocations, 4. Summary of Public Comments

Date	Ver.	Action By	Action	Result
10/19/2020	1	City Council/Public Finance and Economic Development Authority/Parking Authority	continued	Pass

*Report Prepared by: Kimberly Nutt, Housing Program Specialist, Housing Division, Development Services Department*

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## ALTERNATIVES

No Council motion or approval is necessary for this Public Hearing. Staff requests comments be provided by the Public and Council for inclusion into the Final Draft to be presented at the November 16, 2020, Final Public Hearing.

## AUTHORITY

U.S Department of Housing and Urban Development (HUD) requires, per Code of Federal Regulations 24 CFR 91.105, that participating local government jurisdictions involve citizens in the development and any substantial amendments of the Consolidated Plan, Annual Action Plan, and the Consolidated Annual Performance and Evaluation Report (CAPER); the Charter of the City of Merced, Section 405, 409, and 411 et seq of the City of Merced; and, pursuant to 24 CFR Subpart F, the City is required to submit the Consolidated Plan and First-Year Annual Action Plan to HUD for approval by the regulatory due date.

## CITY COUNCIL PRIORITIES

As provided for in the 2020-2021 Adopted Budget; and, Council Priorities that include addressing homelessness, youth programs, community and economic development, public improvements, and job training.

## DISCUSSION

Staff is requesting that a public hearing be held to receive public input on the Draft HUD 2020-2024 Five-Year Consolidated Plan and 2020 First-Year Annual Action Plan (Attachment 1) and the Draft 2020 Analysis of Impediments to Fair Housing Choice (Attachment 2).

Additionally, Staff is requesting Council recommendations on the draft plans and the submitted public service and other funding requests received from community non-profit organizations. Attachment 3 summarizes these programs, activities proposed, amounts requested, and the amounts recommended by staff. Any requested changes will be incorporated into the Final Draft plans that will

be presented back to Council for approval at the final public hearing.

*Public Service, Acquisition, and Administrative Project Funding:*

Staff recommends fully funding all the requested programs and amounts, particularly as each is a HUD eligible activity and meet a National Objective, addresses the community's needs as reported in the Consolidated Plan, and is within the 15% cap that is placed on public service funding out of CDBG.

This year, we received \$56,822 fewer public service requests in dollars than our 15% cap of \$168,608.40. This means that more CDBG funding can be allocated towards other funding requests to increase their viability - in particular, the two acquisition/rehabilitation program requests (Sierra Saving Grace Homeless Project and Merced Rescue Mission). Staff is recommending increasing their original request to a combined total of \$675,000 from CDBG, with an additional \$65,900 of available HOME funding. This gives each organization the potential to buy and convert more units to help more families and be more competitive in the market.

Additionally, as there is funding available, staff is recommending re-inclusion of the \$4,920 of first-time homebuyer education program funding that was redirected from the 2019 Annual Action Plan budget towards COVID-19 programs earlier this year.

*Total Funds Available:*

The CDBG allocation of funding for Fiscal Year 2020-2021 is expected to be \$1,124,056, plus \$96,000 of program income and \$59,101 in prior-year resources. The FY 2020 HOME allocation is expected to be \$542,776, with an estimated \$208,600 in program income during the year. All sources combined, the total FY 2020 program funding expected is \$2,030,533. The Housing Division does not receive any revenue from the General Fund.

*History and Past Actions; and the Effects of the Coronavirus Pandemic on the Process:*

This is the second presentation and review of the Draft 2020-2024 Consolidated Plan (ConPlan), 2020 First-Year Annual Plan (AAP), and the Analysis of Impediments to Fair Housing Choice (AI) documents. Additionally, the process is in its second, re-posted 30-day review and comment period for the public's opportunity to participate, which will conclude on November 2, 2020.

Prior to this review, staff presented a prior draft of the plans at the July 6, 2020, Council Meeting, which was continued through both the July 20, 2020, and August 3, 2020, meetings. As a result of those meetings, Council agreed, at the public's request, to restart the process and delay the approval of the ConPlan and Annual Action Plan in order to allow residents and community organizations additional opportunity to provide their input to the Draft plans, in light of the preceding public outreach constraints placed on the process from the pandemic.

To provide those additional opportunities, with IT Department support, two virtual Outreach Workshops through Microsoft Teams meeting software were successfully held the evenings of September 24 and 30, 2020. Summaries of the comments gathered through the workshops and other public input opportunities are provided at Attachment 4.

Normally, this process is completed with final plans approved and are submitted to HUD by May 15<sup>th</sup>

of each year. Due to the pandemic, HUD has issued waivers that give jurisdictions flexibilities of various deadlines and required processes, including citizen participation, in considering the hurdles most grantees are facing regarding work-at-home staffing, social distancing, and the difficulty most jurisdictions are facing in meeting normal regulatory citizen participation requirements while balancing public safety.

The Coronavirus has had a small effect on the citizen participation process during the development of the ConPlan and AAP. Beginning in March, Housing staff were unable safely to hold any extensive in-person outreach meetings as the threat of spread grew in the community. Though the December Focus Groups were held before the virus was generally believed to have reached the United States, subsequent February Town Hall and even March Funding Information meetings may have been better attended had there not been a worldwide pandemic encroaching into our community.

That said, the vital prioritized community needs assessments with regards to housing, community development, social services, and other important topics that help to structure and strategize the goals, priorities, and projects of the plans were able to be accomplished prior to the pandemic with the aforementioned December Focus Groups and the online-only “SurveyMonkey” Needs Assessment Survey efforts in February.

#### Updates to the Consolidated Plan and Annual Action Plan Since Last Review

Since the July 2020 public hearing and subsequent additional outreach, the ConPlan/AAP document has received the following updates and changes:

- Updates to sections regarding Citizen Participation efforts and public comments.
- Updates to Participating Agencies to add the Leadership Counsel for Justice and Accountability to the list of agencies.
- Add “Enhance Fair Housing Knowledge and Resources” as an Associated Goal to the “3. Public Services & Quality of Life Improvements” priority need, on the SP-25 Priority Needs chart (ConPlan) and the AP-20 Annual Goals and Objectives and Goal Descriptions chart (AAP).
- Delete goal “5A - Provide Economic Development Assistance” (removing due to no resources allocated) and add goal “5 - Enhance Fair Housing Knowledge and Resources” to the SP-45 Goals Summary chart (ConPlan) and to the AP-20 Annual Goals and Objectives and Goal Descriptions charts.
- With the addition of the “Enhance Fair Housing Knowledge and Resources” goal to the ConPlan and AAP goals charts as per above, the associated allocated amounts on the charts have been adjusted to accommodate the addition (SP-45 chart in ConPlan; AP-20 chart in AAP).
- Add reference to an attachment regarding public policies that may remove barriers to the development of affordable housing to Section SP-55 (ConPlan) and Section AP-75 (AAP).
- Add Title Page separator to indicate the start of the Annual Action Plan within the document.
- Changes to the AP-38 Project Summary chart in the AAP to accommodate the addition of “Enhance Fair Housing Knowledge and Resources” to goals supported by HOME Administration funding; other minor adjustments to simplify goals related to owner-occupied rehabilitation; related adjustments to amounts allocated to CDBG Housing Programs and HOME Administration.

### What is the Consolidated Plan, Annual Action Plan, and Analysis of Impediments?

The ConPlan and AAP, between them respectively, provide long- and short-term goals for use of the HUD funding allocations granted to the City of Merced for use and distribution in the community.

In order to receive Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds for Fiscal Year 2020-2021 and for the next five program years, the City must develop a five-year strategic plan - the ConPlan - for the use of these funds over time that describes how the funds may be used, evaluates the City's needs for housing, social services, and other concerns, and sets out prioritized goals to address those needs. Therefore, based in large part on the public and stakeholder input into this process, the Draft 2020-2024 ConPlan establishes broadly framed goals and objectives to be carried out over the next five years.

During the ConPlan development process, the First-Year AAP is also concurrently established and, upon its approval by Council and HUD, implements the first year of the new ConPlan. It focuses the needs and priorities identified during the ConPlan's needs assessment into action through specific goals and project activities, using funding allocated from HUD for the current year. Each year, a new AAP cycle further implements the ConPlan, and then the cycle repeats. The AAP includes a description of how this year's funding will be used to address HUD-identified objectives for housing, homelessness, fair housing, and other identified issues.

The Analysis of Impediments to Fair Housing Choice (AI) report uses statistical and other collected data to identify local practices and conditions in the City of Merced that may be impeding housing opportunities for residents because of their race, skin color, religion, religion, sex, disability, familial status, national origin, or other "protected class" status and develops potential policy and other actions to address those impediments over a reasonable amount of time. It is a crucial tool in ensuring that the City addresses and makes progress towards affirmatively furthering fair housing.

### The Importance of Public Input

Targeted community focus groups, website announcements, funding and information meetings, online surveys, stakeholder interviews, announcements of project funding availability, 30-day comment periods, technical assistance, public hearings, workshops, and even town hall meetings give citizens the opportunity to participate in and give input to the ConPlan and AAP, and the projects they can fund, as they are being developed. These plans are essentially guided by the community's needs and priorities, as perceived and expressed by residents, community service organizations, and other stakeholders living in, working in, and servicing the community.

### Process

In following HUD's mandates for public input and participation, as well as the City of Merced's adopted Citizen Participation Plan, Housing staff and/or TDA Consulting performed the following efforts to solicit and record the expressed needs and priorities of the residents and community, outside of public hearings:

Date(s)	Activity	Publication, Date(s)	Total # Participated
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12/9/19 to 12/10/19	Four Focus Group sessions targeted to specific topics of Residential, Housing, Economic Development, and Social Service needs; each session included an in-person open discussion with Housing and TDA Consulting staff; topics documented and an exercise to assess the top three prioritized needs of each group; open to all residents and service groups	Quarter-page ad; Merced County Times: 12/5/19; Merced Sun-Star: 12/6/19, 12/8-12/6/19	13
January 2020	Stakeholder interviews by Consultant via telephone	N/A	11
2/5/20 to 3/13/20	Community Needs Assessment Survey hosted on SurveyMonkey.com, distributed in English and Spanish via QR codes and weblinks; city website news posts; emails sent to all City employees, all school and college/university districts, professional contact lists; flyers distributed to all Council members for dissemination in districts; flyers handed out at Town Hall Meetings.	N/A	204
2/19/20, 2/20/20, and 2/26/20	City Council Town Hall meetings - Housing staff attended each meeting, noting all topics and community concerns expressed by attending residents that could potentially be addressed with projects funded by CDBG and/or HOME funds; Needs Assessment Survey flyers in English and Spanish were distributed to residents attending each meeting.	N/A	Number not available
3/2/20 and 3/3/20	Three Project Funding Information Meetings open to all residents but targeted to non-profit organizations responding to the published Notice of Funding Availability (NOFA) or letters sent to a local organization mailing list. Each meeting included a short presentation, round-table discussion on the community's needs, technical assistance, and instructions on how to apply for HUD funding.	Merced Sun-Star and Merced County Times: 2/20/20	7 organizations

6/10/20 to 7/10/20	30-Day Public Review and Comment Period - the City's Citizen Participation Plan/HUD require a public review and comment period of a minimum of 30 days in duration; Draft ConPlan and AAP were available to view on Housing Division website and in-person in the Housing Division office (other physical locations limited by pandemic); comments could be submitted in writing, in person, or by email. At the 7/6/20 public hearing, Council allowed the 30-day comment to be extended 5 days, to 7/15/20, to allow additional written comments to be submitted.	Merced Sun-Star and Merced County Times: 6/4/20	6 written comments were submitted
9/24/20 and 9/30/20	Two virtual Community Outreach Workshops were hosted by the City via Microsoft Teams online conference software, partnering with the Leadership Counsel for Justice and Accountability; after a comprehensive PowerPoint presentation, Housing staff answered questions and noted suggestions; Spanish and Hmong translation services were available for each meeting.	Merced Sun-Star and Merced County Times - 9/17/20	61 resident and stakeholder pre-registrants (some attended both workshops)

### Updates to the Analysis of Impediments to Fair Housing Choice Since Last Review

Largely from the guidance of TDA Consulting and public outreach comments gathered during previous public hearings and the outreach workshops held this September, there have been some additions to the Draft AI document that was presented to Council last July.

Changes in the Draft AI since the last draft:

- Section 1. Fair Housing Concepts - updates information regarding HUD's July 23, 2020, actions to terminate the 2015 Affirmatively Furthering Fair Housing Final Rule (2015 AFFH Rule) and replace it with the Preserving Community and Neighborhood Choice Final Rule, which serves to loosen the meaning of the term "affirmatively further fair housing" to mean any action rationally related to promoting fair housing with no planning framework requirements, thereby making it an easier requirement to meet. This section is also updated with mention of the State's 2018 passage of California Assembly Bill 686 (AB 686), which creates new requirements for all state and local agencies to ensure that all state laws, programs, and activities affirmatively further fair housing (AFFH). The City of Merced's Housing Division remains committed to the prior HUD planning framework of AFFH assurance, in keeping with the stricter new State law.
- Section 4. Public Policies and Practices - updates the section with an analysis of existing City policies and land use control practices and further presents potential policies Council could consider that may help address fair housing and affordable housing issues.
- Section 5. Fair Housing Complaints - updates "Fair Housing Practices" with additional local fair housing complaint and referrals data provided by Project Sentinel, who provides fair housing services to Merced City residents through its HOME-funded program with the City.

- Section 7. Fair Housing Action Plan - updates “Identification of Impediments to Fair Housing Choice and Actions” with potential actions the Council can use to help address the impediments identified in the AI.

## **IMPACT ON CITY RESOURCES**

No budget or appropriation action is required at this time.

HUD notified the City of its CDBG and HOME allocations for Fiscal Year 2020-2021 in February 2020, and the budget outlined in the Draft 2020 First-Year Annual Action Plan is based upon those expected allocation amounts.

## **ATTACHMENTS**

1. Draft Consolidated and First-Year Annual Action Plan
2. Analysis of Impediments to Fair Housing Choice
3. List of Community Organization Funding Applications and Recommended Allocations
4. Summary of Public Comments