



## Legislation Text

---

**File #:** 17-355, **Version:** 1

---

*Report Prepared by:* Mark E. Hamilton, Housing Program Supervisor, Housing Division, Department of Development Services

**SUBJECT:** Request to Set a Public Hearing for August 7, 2017, Regarding Approval of an Amendment to the City's 2017-2018 Housing and Urban Development Annual Action Plan

### REPORT IN BRIEF

Sets a Public Hearing for August 7, 2017, to obtain public input regarding a proposed amendment to the City's 2017-2018 Housing and Urban Development Annual Action Plan.

### RECOMMENDATION

**City Council** - Adopt a motion setting a Public Hearing for Monday, August 7, 2017, to obtain public input and consider an amendment to the City's 2017-2018 Housing and Urban Development Annual Action Plan.

### ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions other than recommended by staff; or,
3. Deny; or,
4. Refer to the City Manager for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

### AUTHORITY

Charter of the City of Merced, Section 200.

### CITY COUNCIL PRIORITIES

As proposed for in the 2017-18 budget and appropriated to the City of Merced as a Housing and Urban Development (HUD) entitlement community by the U.S. Department of Housing and Urban Development Annual Action Plan.

### DISCUSSION

Staff is requesting Council to set a Public Hearing to consider amending the 2017 HUD Annual Action Plan. The 2017 HUD Annual Action Plan needs to be amended due to the funding allocation from HUD being modified from the original estimate of \$1,287,818. When HUD published the final allocation award amounts, the City's entitlement grant increased \$22,599 to \$1,310,417. The revised Annual Action Plan includes a revised budget, additional sub-recipients, modified infrastructure capital improvement project budgets, and removes projects that were closed out at the end of the fiscal year (June 30, 2017).

The 2017 HUD Annual Action Plan outlines programs and activities to be funded with Community Development Block Grant funds next Fiscal Year. In order for an activity or program to become eligible, they must meet the HUD criteria, which includes National Goals and Objectives designed to eliminate blight and provide housing for low income families.

Guidelines for each program dictate how the funds may be spent. Staff works with each recipient to ensure eligibility for and compliance with Community Development Block Grant (CDBG) or HOME Investment Partnerships Program (HOME) federal grant programs.

The Action Plan describes how funds will be used by the City of Merced. Whether the funds are being used for administrative or program activities, the proposed activities must meet a HUD-approved national objective to be considered eligible. The three national objectives are: 1) Directly benefit low and moderate-income persons; 2) Aid in the prevention and elimination of slums or blight; or, 3) Meet an urgent need such as flood, hurricane, or tornado clean-up and repair.

The common goal of these programs is to make Merced a more livable community. This goal is achieved in three ways. First, is by granting funds to local nonprofit organizations and assisting them with providing funds to expand their programs. Second, is by providing affordable, safe, and decent housing throughout the community. Lastly, these funds can be used for upgrades to existing public facilities to make them accessible for individuals with disabilities.

#### History and Past Actions

Each year the City of Merced prepares an Annual Action Plan for submission to the U.S. Department of Housing and Urban Development. The framework for the Annual Action Plan finds its roots in the City of Merced 2015-20 Consolidated Plan. The Consolidated Plan is a five-year planning document, outlining the City's strategy for pursuing federal, state, and local resources to meet housing and community development needs of low and moderate income residents.

City Council approved the Draft 2017 HUD Annual Action Plan April 17, 2017. After Council approved the draft plan, HUD froze submission of Final Action Plans until further notice. In June 2017, the Housing Division received a notice from HUD to submit the revised Annual Action Plans by August 16, 2017.

#### **IMPACT ON CITY RESOURCES**

No appropriation of general funds is needed.