

AGENDA



HOUSING AND COMMUNITY DEVELOPMENT COMMISSION REGULAR MEETING

THURSDAY, DECEMBER 3, 2020
7:00 P.M
VIA TELECONFERENCE

Christina Rodriguez, Chair
Tara Beasley-Stansberry, Vice Chair
Robert Bryant
Ylonda Calloway
S. Bre Jackson
Christina Long
Antoinisha Waddell

IMPORTANT NOTICE REGARDING DECEMBER 3, 2020 HOUSING AND COMMUNITY DEVELOPMENT COMMISSION MEETING

These meetings are being conducted using teleconference and electronic means consistent with the State of California Executive Order N-29-30 regarding the COVID-19 pandemic. In accordance with Executive Order N-29-30, the public may only view the meetings on television and/or online and not in the Council Chamber.

PUBLIC COMMENT: Members of the Public may provide public comments during the Commission Meeting via ZOOM (<https://ZoomRegular.Cityofvallejo.net>), or via phone, by dialing (669) 900-6833. For additional instructions on how to speak during public comment, please visit, www.cityofvallejo.net/publiccomment

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- Join the Zoom webinar: <https://ZoomRegular.Cityofvallejo.net>

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In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at dawn.abrahamson@cityofvallejo.net. Notification at least 48 hours prior to a meeting will enable the City to make reasonable arrangements to ensure accessibility to that meeting. [28 CFR.35.102.35.104 ADA Title II]. The Vallejo Housing and Community Development Division may be contacted as follows: Tel: (707) 648-4507, Fax: (707) 648-5249, or e-mail: chari.barrera@cityofvallejo.net. The hearing impaired may call the California Relay Service at (800) 735-2922 without a TTY/TDD, or (800) 735-2929 with a TTY/TDD.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **APPROVAL OF AGENDA**
5. **APPROVAL OF MINUTES**
 - A. Regular Meeting of November 5, 2020
 - B. Special meeting of November 12, 2020
6. **REPORT OF PRESIDING OFFICER AND MEMBERS OF THE COMMISSION**

7. SECRETARY'S REPORT

Catholic Charities of Yolo-Solano Rental Assistance Program Update

8. COUNCIL LIAISON'S REPORT**9. COMMUNICATIONS AND PRESENTATIONS****10. COMMUNITY FORUM**

This is an opportunity for residents to discuss items not on the agenda that are within the purview of the Commission. The Commission may not discuss or take action on these items but may require they be placed on a future agenda. If an item is not within the purview of the Commission, the person may be referred to the appropriate party.

Due to the current Shelter at Home Order and in conformance with the Governor's Executive Order N-29-30, the City of Vallejo has opted to hold this meeting via teleconference. There will be no public access to City Hall for any Commission meetings until further notice.

Any interested members of the public desiring to communicate with the Commission as part of the Community Forum may do so via:

- ZOOM: (<https://ZoomRegular.Cityofvallejo.net>),
- Phone: Dial (669) 900-6833. Enter Meeting ID: 914 0075 0676#. Press * 9 to digitally raise your hand from the phone.

For additional instructions on how to speak during public comment, please visit, www.cityofvallejo.net/publiccomment.

11. CONSENT CALENDAR**12. PUBLIC HEARINGS****13. ADMINISTRATIVE ITEMS**

Due to the current Shelter at Home Order and in conformance with the Governor's Executive Order N-29-30, the City of Vallejo has opted to hold this meeting via teleconference. There will be no public access to City Hall for any Commission meetings until further notice.

Any interested members of the public desiring to communicate with the Commission as part of the Administrative Items may do so via:

- ZOOM: (<https://ZoomRegular.Cityofvallejo.net>),
- Phone: Dial (669) 900-6833. Enter Meeting ID: 914 0075 0676#. Press * 9 to digitally raise your hand from the phone.

For additional instructions on how to speak during public comment, please visit, www.cityofvallejo.net/publiccomment.

- A. Fiscal Year (FY) 2019-20 Low- and Moderate-Income Housing Asset Fund (LMIHAF) Annual Report

AGENDA

City of Vallejo Housing and Community Development Commission

December 3, 2020

For more information, a staff report is enclosed with the agenda.

Recommendation: Recommend acceptance of the FY 2019-20 LMIHAF Annual Report by the Housing Authority Board of Commissioners.

- B. FY 2021-22 Community Development Block Grant (CDBG) Program and HOME Investment Partnerships (HOME) Program Funding Process and Criteria

For more information, a staff report is enclosed with the agenda.

Recommendation: Recommend approval by the City Council of a FY 2021-22 CDBG Program and HOME Program funding process and criteria.

- C. Establishment an Ad Hoc Committee on FY 2021-22 CDBG Program and HOME Program Funding Allocations

Recommendation: Select an Ad Hoc Committee on FY 2021-22 CDBG Program and HOME Program Funding Allocations of no more than three volunteer Commissioners. No additional materials are enclosed with the agenda

14. POLICY ITEMS

15. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Chari Barrera, Housing and Community Development Commission Secretary, do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the Housing and Community Development Commission, at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 7:00 p. m. on November 30, 2020.

Dated: 11/30/2020

Chari Barrera
Chari Barrera, Secretary

ACTION MINUTES

1. Call to Order

The Housing and Community Development Commission of the City of Vallejo met in a regular virtual meeting on Thursday, November 5, 2020 at 7:09 p. m.

2. Pledge of Allegiance

3. Roll Call

Present: Beasley-Stansberry, Long, Rodriguez, Waddell

Absent/Excused: None

Absent/Unexcused: Bryant, Calloway, Jackson

Liaison: Councilmember Sunga, Absent/Excused

Staff: Judy Shepard-Hall, Housing and Community Development Program Manager
Chari Barrera, Administrative Analyst II
Natalie Peterson, Administrative Analyst I

4. Approval of Agenda

Beasley-Stansberry made a motion to approve the Agenda. The motion was seconded by Rodriguez.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Long, Rodriguez, Waddell

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: None

Absent/Unexcused: Commissioners: Bryant, Calloway, Jackson

The motion passed unanimously, 4-0-0.

4. Approval of Minutes

Long made a motion to approve the Minutes. The motion was seconded by Beasley-Stansberry

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Long, Rodriguez, Waddell

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: None

Absent/Unexcused: Commissioners: Bryant, Calloway, Jackson

The motion passed unanimously, 4-0-0.

6. Report of Presiding Officer and Members of the Commission

Vice Chair asked for about the Rental Assistance Program. Shepard-Hall provided an update.

7. Secretary's Report

There were no reports.

8. Council Liaison's Report

There were no reports.

9. Communications and Presentations

There were no communications and presentations.

10. Community Forum

There were no speakers from the public.

11. Consent Calendar

12. Public Hearings

13. Administrative Items

A. Fiscal Year (FY) 2020-21 Community Development Block Grant (CDBG) Program Budget

Barrera reviewed the item. Beasley-Stansberry made a motion to approve the item. The motion was seconded by Long.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Long, Rodriguez, Waddell

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: None

Absent/Unexcused: Commissioners: Bryant, Calloway, Jackson

The motion passed unanimously, 4-0-0.

B. Fiscal Year (FY) 2020-21 Home Investment Partnerships (HOME) Program Budget

Barrera reviewed the item. Beasley-Stansberry made a motion to approve the item. The motion was seconded by Long.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Long, Rodriguez, Waddell

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: None

Absent/Unexcused: Commissioners: Bryant, Calloway, Jackson

The motion passed unanimously, 4-0-0.

14. Policy Items

There were no policy items.

15. Adjournment

There being no further business, at 7:49 p. m. the meeting was adjourned.

Respectfully submitted,

 //ss//
CHARI BARRERA, Secretary

ACTION MINUTES

1. Call to Order

The Housing and Community Development Commission of the City of Vallejo met in a special virtual meeting on Thursday, November 12, 2020 at 7:00 p. m.

2. Pledge of Allegiance

3. Roll Call

Present: Beasley-Stansberry, Calloway, Jackson, Long, Rodriguez

Absent/Excused: Waddell

Absent/Unexcused: Bryant

Liaison: Councilmember Sunga

Staff: Judy Shepard-Hall, Housing and Community Development Program Manager
Chari Barrera, Administrative Analyst II
Natalie Peterson, Administrative Analyst I

4. Approval of Agenda

Rodriguez made a motion to approve the Agenda. The motion was seconded by Beasley-Stansberry.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Calloway, Jackson, Long, Rodriguez

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: Waddell

Absent/Unexcused: Commissioners: Bryant

The motion passed unanimously, 5-0-0.

5. Approval of Minutes

6. Report of Presiding Officer and Members of the Commission

There were no reports.

7. Secretary's Report

There were no reports.

8. Council Liaison's Report

There were no reports.

9. Communications and Presentations

There were no communications and presentations.

10. Community Forum

There were no speakers from the public.

11. Consent Calendar

12. Public Hearings

13. Administrative Items

- A. Amended and Restated Low-and-Moderate Income Housing Asset Fund Loan Agreement

Shepard-Hall reviewed the item. Beasley-Stansberry made a motion to approve the item. The motion was seconded by Rodriguez.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Calloway, Jackson, Long, Rodriguez

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: Waddell

Absent/Unexcused: Commissioners: Bryant

The motion passed unanimously, 5-0-0.

- B. Fiscal Year (FY) 2020-21 Home Investment Partnerships (HOME) Program Budget HOME Investment Partnerships Program Loan Agreement with Vallejo Permanent Supportive Housing, L.P.

Shepard-Hall reviewed the item. Beasley-Stansberry made a motion to approve the item. The motion was seconded by Rodriguez.

ROLL CALL:

Ayes: Commissioners: Beasley-Stansberry, Calloway, Jackson, Long, Rodriguez

Noes: Commissioners: None

Abstentions: Commissioners: None

Absent/Excused: Commissioners: Waddell

Absent/Unexcused: Commissioners: Bryant

The motion passed unanimously, 5-0-0.

14. Policy Items

There were no policy items.

15. Adjournment

There being no further business, at 7:15 p. m. the meeting was adjourned.

Respectfully submitted,

 //ss//
CHARI BARRERA, Secretary



DATE: December 3, 2020
TO: Chair and Commissioners
Housing and Community Development Commission
FROM: Judy Shepard-Hall, Housing and Community Development Manager
SUBJECT: FISCAL YEAR 2019-20 LOW- AND MODERATE-INCOME HOUSING ASSET FUND ANNUAL REPORT

RECOMMENDATION

Recommend acceptance of the Vallejo Housing Authority (VHA) Housing Successor Agency Annual Report ("Report") Regarding the Low- and Moderate-Income Asset Fund (LMIHAF) for Fiscal Year (FY) 2019-20 by the Housing Authority Board of Commissioners.

REASONS FOR RECOMMENDATION

Housing Successor Agencies are required to provide an Annual Report to their governing bodies and to the California Department of Housing and Community Development within six months after the end of the fiscal year. This independent audit of the LMIHAF may be included in the jurisdiction's Comprehensive Annual Financial Report.

BACKGROUND AND DISCUSSION

In December, 2020 the Vallejo City Council is scheduled to approve the City of Vallejo's Comprehensive Annual Financial Report (CAFR) for FY 2019-20. The Independent Audit of the LMIHAF will be contained within the CAFR. The City must adhere to expenditure limits and annual reporting related to housing assets of the former Vallejo Redevelopment Agency that are now held by the Housing Successor, the VHA. A copy of the Housing Successor Annual Report for FY 2019-20 is attached. The Report requires review by the VHA Board, and then submission to the California Department of Housing and Community Development by no later than December 31, 2020.

From January 1, 2004 to January 1, 2014, 64.8 percent of all deed-restricted housing created with assistance from the former Redevelopment Agency were senior residential units. Pursuant to California law, the VHA may not expend any additional funds from the LMIHAF to assist seniors until the total number of all assisted rental housing units reaches 50 percent. The purpose of this State regulation is to ensure equitable housing affordability among all populations.

The Report highlights activities and assets for FY 2019-20, based on the Independent Audit. The Report outlines that the VHA's responsibilities, acting as Successor Agency, are primarily loan administration and repayment. In addition, there are no outstanding replacement or inclusionary housing obligations as defined by the Five-Year Implementation Plan (FY 2009-10 through FY 2013-14) for the Vallejo Redevelopment Agency, approved in July 2010 per Resolution No. 10-011.

As part of the annual reporting, the City must complete a surplus test to compute the amount of excess/surplus

by deducting encumbrance projects from the ending fund balance and then adding the unencumbered balance from the past fiscal years.

In June, 2018 a total of \$1.6 million in LMIHAF funds were earmarked for the construction of permanent supportive housing units for homeless Vallejo residents, pursuant to a Loan Agreement between the Housing Authority and Eden Housing, Inc. for the development of properties located at 2118 and 2134-36 Sacramento Street. The Sacramento Street site was acquired by the City of Vallejo in December, 2017.

Finally, the Report indicates that the Successor Agency has accumulated a total fund balance from the prior year deposits of \$2.5 million in LMIHAF as of June 30, 2020.

FISCAL IMPACT

This action does not require funding and will therefore have no fiscal impact on the City of Vallejo's General Fund.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1. Housing Successor Agency LMIHAF FY 2019-20 Annual Report

CONTACT

Judy Shepard-Hall, Housing and Community Development Manager, (707) 648-4408,
Judy.Shepard-Hall@cityofvallejo.net

**HOUSING SUCCESSOR ANNUAL REPORT
REGARDING THE LOW- AND MODERATE-INCOME HOUSING ASSET FUND
FOR FISCAL YEAR (FY) 2019-20
PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1 (F)
FOR THE HOUSING AUTHORITY OF THE CITY OF VALLEJO**

This Housing Successor Annual Report (Report) regarding the Low- and Moderate-Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1 (f) and is dated December 15, 2020.

This Report sets forth certain details of the activities of the Housing Authority of the City of Vallejo (Authority) acting as Housing Successor during FY 2019-20.

The purpose of this Report is to provide the governing body of the Authority an annual report on the LMIHAF housing assets and activities of the Authority under Part 1.85, Division 24 of the California Health and Safety Code, in particular section 34176 and 34176.1 (Dissolution Law).

The following Report is based upon the information prepared by the City of Vallejo's Finance Department, Housing and Community Development Division, and information contained within the independent audit of the Low- and Moderate-Income Housing Asset Fund included in the City of Vallejo Comprehensive Annual Financial Report for Fiscal Year 2017-18 (Audit). Further, this Report conforms with and is organized into sections I. through XI. Pursuant to Section 34176.1 (f) of the Dissolution Law:

- I. **Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited in the LMIHAF during the Fiscal Year. Any amounts deposited for the items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.

A total of \$415,723 was deposited into LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, \$0 was held for items listed on the ROPS.

- II. **Ending Balance of LMIHAF:** This section provides a statement of balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for the items listed on the ROPS must be distinguished from the other amounts deposited.

At the close of the Fiscal Year, the ending balance in the LMIHAF was \$2,497,463 of which \$0 is held for items listed on the ROPS.

- III. Description of Expenditures from LMIHAF:** This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. There were no expenditures made from the LMIHAF during the Fiscal Year.

Monitoring and Administration Expenditures	\$5,735
Homeless Prevention and Rapid Rehousing Services Expenditures	\$0
Loan Repayment to CalHFA – RDLP Loan (loan funds received and invested in project prior to 1-10-2012)	\$0
Housing Development Expenditures	
- For Low Income Units	\$0
- For Very Low-Income Units	\$0
- For Extremely Low-Income Units	\$354,158
Total LMIHAF Expenditures in Fiscal Year	\$359,893

- IV. Statutory Value of LMIHAF Assets Owned by the Authority:** This section provides the statutory value of LMIHAF real property owned by the Authority, the value of loans and grants receivables, and the sum of these two amounts.

Statutory Value of LMIHAF Real Property Owned by the Housing Authority	\$0
Value of the LMIHAF Loans and Grants Receivables	\$12,521,253
Total Value of Authority LMIHAF Assets	\$12,521,523

- V. Description of Transfer:** This section describes transfer, if any, to another housing successor agency made in previous Fiscal Year(s), including whether the funds are unencumbered and the status of the projects, if any for which the transferred LMIHAF will be used. The sole purpose of the transfer must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees, or special needs housing.

The Authority transferred \$500,000 in LMIHAF excess surplus to non-federal HOME Program match under Section 34176.1 (c) (2) in FY 2015-16. A portion of these funds have been expended on for the rehabilitation of foreclosed properties, and temporary tenant based rental assistance, leaving an encumbered balance as of June 30, 2020 of \$225,672.

- VI. Project Descriptions:** This section describes any project for which the Authority receives or holds property tax revenue pursuant to the ROPS and the status of that project.

The Authority did not receive or hold property tax revenue pursuant to the ROPS during the Fiscal Year.

However, this Report presents an information only status update as of the date of the report on LMIHAF housing projects that were not yet complete on or after February 1, 2012, whose completion activities were facilitated with ROPS funds paid by the Successor Agency of the City of Vallejo.

The Authority did not initiate or conclude any housing projects during the Fiscal Year.

VII. Status of Compliance with the California Health & Safety Code Section 33334.16: This section provides a status on compliance with Section 33334.16 for interest in LMIHAF real property acquired by the former redevelopment agency *prior* to February 1, 2012, and for LMIHAF real property acquired on or *after* February 1, 2012.

With respect to interests in real property acquired by the former redevelopment agency prior to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance (DOF) approved the property as a housing asset in the LMIHAF; thus, as the real property acquired by the former redevelopment agency now held by the Authority in the LMIHAF, the Authority must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date of the DOF approved such property as a housing asset.

Section 34176.1 provides that Section 33334.16 does not apply to interests in the LMIHAF real property acquired by the Authority on or after February 1, 2012; however, this Report presents an information only status update on the LMIHAF projects related to such real property.

No property or properties have been acquired by the Authority using LMIHAF on or after February 1, 2012. There are currently four properties in the Long-Range Property Management Plan being used for affordable housing.

VIII. Description of Outstanding Obligations under Section 33413: This section describes the outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012, along with the Authority's progress in meeting those prior obligations of the former redevelopment agency.

Replacement Housing Obligation: According to the Five-Year Implementation Plan for Fiscal Year 2009-10 through 2013-14 for the former redevelopment agency, there were no replacement housing obligations that were outstanding that were transferred to the Authority. However, as the result of the Buchongo Settlement Agreement executed in July 1999, the former redevelopment agency agreed to provide 425 affordable housing units to low-

and moderate-income residents. The Implementation Plan reflected that although the obligation had been substantially met, the former redevelopment agency was required to produce an additional eight units. The final eight units were completed through the rehabilitation of the Temple Art Lofts prior to the transfer of housing obligations to the Authority. As such, the Authority met the obligations for the production of affordable housing.

As noted in the Plan, these replacement housing obligations were met (in terms of the number of bedrooms and by affordability levels) either through onsite replacement of units or through relaying on the excess affordable residential units constructed within the required time frame.

There were no additional projects that incurred replacement obligations between the date the Plan was written July 27, 2010 - Resolution 10-011 and the dissolution of the Redevelopment Agency of the City of Vallejo (i.e., January 10, 2012 - Resolution 12-001) on February 1, 2012.

Inclusionary/Production Housing Obligation: According to the 2010-14 Implementation Plan for the former redevelopment agency, no Section 33413 (b) inclusionary/production housing obligations were transferred to the Authority.

As noted, the Authority met the obligations for the production of affordable housing that had resulted from construction of new residential units listed in the Plan.

Production housing obligations were met (in terms of the number of units and by affordability levels) either through onsite replacement of units or through relying on the excess affordable residential units of appropriate affordability levels that were constructed within the required time frames.

There were no additional projects that incurred housing production obligations between the date that report was written and the dissolution of the former Redevelopment Agency of the City of Vallejo on February 1, 2012

The former redevelopment agency's Implementation Plans are posted on the City's website at www.cityofvallejo.net.

- IX. Extremely Low-Income Test:** This section provides the information required by Section 34176.1 (a) (3) (B) requires that the Authority must require at least 30 percent of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30 percent or less of the area median income (AMI). If the Authority fails to comply with the Extremely-Low Income requirement in any five-year report, then the Authority must ensure that at least 50 percent of the funds remaining in the LMIHAF be expended in each fiscal year following the latest fiscal year following the report on

households earning 30 percent or less of the AMI until the Authority demonstrates compliance with the Extremely-Low Income requirement. This information is required to be reported in 2019-20 for the 2014–20 period, or ending June 30, 2020. LMIHAF funds of \$354,158 were expended.

- X. Senior Housing Test:** This section provides the percentage of units of deed restricted rental housing restricted to seniors and assisted individuals or jointly by the Authority, its former redevelopment agency, and its host jurisdiction within the previous ten years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Authority, its former redevelopment agency and its host jurisdiction within the same period.

For this Report the ten-year period is January 1, 2004 to January 1, 2014. The Authority is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Authority, the former redevelopment agency and/or the City within the previous ten years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Authority, the former redevelopment agency, and/or City within the same time period. If this percentage exceed 50%, then the Authority cannot expend future funds in the LMIHAF to assist additional senior housing units until the Authority or City assists and construction has commenced on a number of restricted rental units that is equal to 50 percent of the total amount of deed-restricted rental units.

Vallejo Senior Housing Test	January 1, 2004 through January 1, 2014
Number of Assisted Senior Rental	443
Number of Total Assisted Rental Units	683
Senior Housing Percentage	64.8

- XI. Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the Authority has had surplus, and the Authority's plan for eliminating the surplus. Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Authority's preceding four Fiscal Years, whichever is greater.

Surplus Test for FY 2019-20:

Beginning Fund Balance as of 6-30-2019	\$2,441,633
Deposits: Principal Payments	\$116,099
Interest Payments	\$99,294

Investment Income	\$60,132
20% Set-Aside from Annual City/Agency Loan Repayments	\$140,198
Total Deposits	\$415,723
Less: Expenditures	\$359,893
Ending Fund Balance as of 6-30-2020	\$2,497,463
Less: Encumbrance (Sacramento Street Permanent Supportive Housing Project)	\$1,245,842
Unencumbered Fund Balance as of 6-30-2020	\$1,251,621 A
Limitation (Greater of \$1,000,000 or four years of deposit	
FY 2016-17	\$667,276
FY 2017-18	\$429,478
FY 2018-19	\$405,588
FY 2019-20	\$415,723
Total Prior Year Deposits	\$1,918,065
Base Limitation	\$1,000,000
Greater of \$1,000,000 or Total Deposits	\$1,918,065 B
Computed Excess/Surplus (A – B)	None

The LMIHAF does not have an Excess Surplus. For the past four fiscal years, the unencumbered amount in the LMIHAF has not exceeded the aggregated amount deposited in the fund. The Housing Successor has been in existence for nine years. Based upon the deposits received during the preceding four years, the LMIHAF has no Surplus.

As shown above, the Housing Authority committed \$1,245,842 from the LMIHAF to Eden Housing, Inc. for the development of permanent supportive housing for homeless persons at Sacramento Street, Vallejo. These funds will be expended by or before June 30, 2021.

- XII. Inventory of Homeownership Units:** This section provides an inventory of homeownership units assisted by the former redevelopment agency or the Housing Successor that is subject to covenants or restrictions, or to an adopted program that protects the former redevelopment agency's investment of monies from the LMIHAF pursuant to subdivision (f) of Section 33334.3.

Number of Units	3
Number of Units Lost to the LMIHAF after February 1, 2012	0
Funds Returned to LMIHAF	\$0
Contracts with Outside Entities for Management of Units	0



DATE: December 3, 2020

TO: Chair and Commissioners
Housing and Community Development Commission

FROM: Judy Shepard-Hall, Housing and Community Development Manager

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND HOME INVESTMENT PARTNERSHIPS PROGRAM FISCAL YEAR (FY) 2021-22 FUNDING PROCESS

RECOMMENDATION

Recommend approval of a funding process by the City Council.

REASONS FOR RECOMMENDATION

The City has received annual funding allocations of CDBG Program and HOME Program from the U. S. Department of Housing and Urban Development (HUD) since 1974 and 1990, respectively. These funds have helped the City to address its affordable housing and community development needs. The City Council typically approves a process for determining activities and projects every one or two years.

BACKGROUND AND DISCUSSION

This agenda item is the beginning of the process to determine the allocation of the FY 2021-22 CDBG Program and HOME Program funds for activities as part of implementing the City's 2021-2022 fiscal year, beginning July 1, 2021. At tonight's meeting, staff proposes that the Commission recommend a funding process and criteria.

CDBG Program funds may be used for projects such as affordable housing, housing and neighborhood preservation or revitalization, public improvements in target area neighborhoods, curb ramps City-wide, social services, and economic development. HOME Program funds may be used only to support affordable housing.

Availability of Funds – For FY 2020-21, the current fiscal year, the City received \$1,065,958 in new CDBG Program funds. Of this amount, \$15,000 is revenue (program income) that the City anticipates it will receive in FY 2020-21, primarily from principal and interest loan repayments. The balance of \$1,050,958 is grant ("entitlement") funds the City received from HUD.

The City also received \$610,285 in new HOME Program funds from HUD for FY 2020-21, and estimated that it would additionally receive \$100,000 in program income, also from loan repayments, for a total of \$710,285. At least fifteen percent of the City's annual HOME Program grant received directly from HUD must be allocated to a qualified Community Housing Development Organization, (or "CHDO"). A CHDO is a non-profit affordable housing developer whose primary purpose is the development and/or management of housing. The City has determined that Community Housing Development Corporation (CHDC) and Eden Housing, Inc. are qualified CHDOs.

The funding levels for FY 2021-22 are uncertain at this time. However, in order to adhere to the City's typical timeline and complete a funding process by HUD's deadline of May 15, staff recommends the City proceed on the assumption that it may receive approximately the same amount in CDBG Program and HOME Program funds in FY 2021-22 as it did in FY 2020-21.

High-Priority Needs – The Consolidated Plan is a five-year planning document required by HUD in order for the City to receive certain federal affordable housing and community development funds. It documents in detail affordable housing and community development needs in Vallejo. The Plan contains data on the characteristics of the housing market and the existing housing stock, an assessment of affordable housing needs, and the resources available to address those needs. The City's current Consolidated Plan was approved by the City Council in July, 2020. The Plan includes the period beginning July 1, 2020 and ending June 30, 2024.

The current Consolidated Plan has established the following groups as the most in need of assistance, in this order of priority: (1) extremely low- and very low-income renters; (2) homeless persons, (3) very low- and low-income first-time homebuyers and (4) non-homeless persons with special needs.

The Plan also contains quantifiable goals and objectives in the areas of housing, targeted expenditures for the installation of public improvements and providing social services.

Staff does not recommend that the City accept CDBG or HOME Program proposals for funding in FY 2021-22 for housing activities/projects or public improvements other than those described below.

Housing Activities– The Consolidated Plan documents a need for the development of affordable rental and ownership housing; supportive housing for persons with special needs; tenant-based rental assistance; first time homebuyer assistance; and services appropriate to address the needs of the unsheltered and chronically homeless population in the community.

CHDO - Due to the ongoing unmet affordable housing needs in the community, staff recommends that the City accept proposals from qualified CHDOs to receive HOME Program funds in FY 2021-22 to develop either rental or owner-occupied affordable housing.

Social Services- According to HUD guidelines, the City may allocate a maximum of fifteen percent of its CDBG Program funds each year to social service activities. In FY 2020-21, the City allocated \$187,548 to seven social service agencies.

The social service agencies receiving CDBG Program funds serve vulnerable residents of the community, including the elderly, disabled, veterans, and very low-income and homeless persons. In FY 2020-21, they include such organizations as Meals on Wheels, Vallejo Senior Citizens' Council, House of Acts, and Global Center for Success. Receiving these funds also enables these organizations to leverage other funding sources. Therefore, staff recommends that the City accept social service applications in FY 2021-22.

Staff estimates that there will be approximately \$150,000 available to allocate to social service programs in FY 2021-22. Staff further recommends that as in past years, the minimum funding allocation to each social service activity be \$20,000, and that there be no maximum. Staff believes that with limited funding, and numerous regulations mandated by HUD, it is not cost effective for the City to allocate less than \$20,000 per social service program and still meet the administrative requirements of the program. In some cases, the Commission and the City Council may wish to allocate more than \$20,000 to a program.

Program Administration – HUD regulations allow the City to allocate up to twenty percent of CDBG Program funds and ten percent of HOME Program funds, each year to program administration. These funds are used

for general management, oversight, and coordination of these programs by staff; and for providing public information.

Staff anticipates the City will need to allocate the full amount allowed in this category in FY 2021-22 to administer these programs effectively, and to ensure that program requirements are met.

Proposed Process for Requesting CDBG Program and HOME Program Funds by Housing Agencies and Social Service Agencies

Housing Agencies

The City would accept proposals from non-profit affordable housing organizations, including qualified CHDOs, that will address one or more of the top priority housing needs in the City's Five-Year Consolidated Plan.

Staff proposes that the following criteria be used in screening and evaluating proposals from housing agencies:

Agencies must document that they are chartered as a 501 (c) (3) organization, submit other eligibility documents, and provide evidence that they are fiscally sound. All proposers will submit a proposed HOME Program Budget, an overall organizational budget, and a financial audit or financial statements as applicable. All proposers must also submit written fiscal and personnel policies and procedures.

Social Service Agencies

The City would accept proposals from social service organizations that will address the top priority needs in the Consolidated Plan, as described below.

Staff proposes the following criteria be used in screening and evaluating proposals from social service agencies:

A social service agency must propose to address the needs of one of the following populations: (1) homeless single men in need of emergency shelter, (2) unsheltered homeless persons in need of appropriate supportive services, (3) homeless individuals in need of permanent housing, (4) very low- and low-income families with children, (5) homeless families with children in need of permanent housing, (6) supportive services for persons with HIV/AIDS, (7) supportive permanent housing for the severely mentally ill, (8) treatment and prevention programs for persons with substance abuse addictions, (9) programs meeting the needs of the elderly and disabled, and (10) victims of domestic violence. If awarded funding, these agencies must maintain household income and related documentation to verify benefit and services to one of these populations.

Social service agencies must document that they are chartered as a 501 (c) (3) organization, submit other eligibility documents, and provide evidence that they are fiscally sound. All agencies will submit a proposed CDBG Program budget (simple line item) for direct costs only, an overall organizational budget, and a financial audit or financial statements as applicable. All agencies must also submit written fiscal and personnel policies and procedures.

According to HUD guidelines, the City must expend CDBG Program funds promptly. Therefore, staff recommends that the City consider funding social service activities that have the best chance to be delivered in a timely manner.

Proposed Availability of Proposals and Proposal Deadline – Staff recommends that it prepare proposals for organizations to complete, as applicable, and to make them available not later than Monday, January 4, 2021, with a deadline for organizations to return completed proposals not later than 3:00 p. m. (PST) on

Friday, January 29, 2021.

In fairness to those agencies and residents that participate in the funding process from the beginning, and to ensure an orderly process, staff recommends that the Commission and the City Council not consider any proposal that is submitted after the January 29, 2021 deadline, or that is substantially incomplete, with no exceptions. After January 4, 2021 but prior to January 29, 2021, staff will hold a mandatory Notice of Funding Availability ("NOFA") workshop for prospective social service and housing agencies that wish to submit proposals, in order to review the program requirements and provide technical assistance. The City will not accept a proposal from an organization that does not attend the workshop.

FY 2021-22 Funding Agreements – After the City Council allocates CDBG Program and HOME Program funds in the Spring of 2021, agencies awarded funding will execute an Agreement with the City in a timely manner, effective July 1, 2021. Some of the elements in the Agreement are: (1) quarterly reports must be submitted; and (2) City staff will conduct quarterly reviews or meetings with the agencies, as well as on-site monitoring visits at the social service and housing agency locations to review client and agency files and records, and program progress.

FISCAL IMPACT

If approved, the City Council's action will establish a funding process for the allocation of CDBG Program and HOME Program funds in FY 2021-22, in an estimated total amount of \$1.8 million. The City's application for FY 2021-22 CDBG Program and HOME Program funds, also known as an "Action Plan", must be received by HUD by not later than May 15, 2021. There is no fiscal impact to the General Fund associated with this item.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

None

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