



DATE: September 18, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Sarah Wolf, Housing Specialist
Karen Shimizu, Housing Manager

SUBJECT: Public Hearing to Receive Comments on the 2022-2023 Draft Consolidated Annual Performance Evaluation Report (CAPER) and Resolution Approving the Community Development Block Grant 2022-2023 (CAPER) and Authorizing the City Manager to Submit the CAPER as Required by the Department of Housing and Urban Development

RECOMMENDATION

It is recommended that the City Council conduct a Public Hearing to receive comments on the 2022-2023 draft Consolidated Annual Performance Evaluation Report (CAPER) and adopt a resolution approving the Community Development Block Grant (CDBG) 2022-2023 (CAPER) and authorizing the City Manager to submit the CAPER as required by the Department of Housing and Urban Development (HUD).

BACKGROUND

The City Council previously conducted a Public Hearing and approved a resolution for the 2022-2023 CDBG Annual Action Plan at the April 17, 2022, Petaluma City Council Meeting (Attachment 3). The primary objective of the CDBG program is to build viable communities by providing safe and decent housing, a suitable living environment and expanding economic opportunities that serve persons of low- and moderate-income households. The CAPER is an annual report card that documents the City's use of the federal CDBG funding and how the City has met its goals for helping low- and moderate-income households in Petaluma. A thirty-day public hearing notice was published in the Argus Courier newspaper and on the City's website. The public notice was published on August 18, 2022.

DISCUSSION

The 2022-2023 CAPER outlines how the City of Petaluma has met the community needs and objectives outlined in the third year of the 2020-2024 Consolidated Plan and the 2022-2023 Annual Action Plan.

The Consolidated Plan identifies five goals to address the City's housing and community development needs between Fiscal Years 2020-2024 as follows:

- Improve housing opportunities by preserving existing affordable housing.
- Provide housing and services to the low-income populations, including but not limited to, children, seniors, and special needs population (homeless, disabled, etc.).
- Increase the supply of affordable housing.
- Promote housing opportunities for homeownership.
- Improve accessibility in public facilities and infrastructure.

In Fiscal Year 2022-2023, HUD allocated CDBG funding to the City in the amount of \$329,577. A total of \$5,325 in carryover funding from the 2019-2020 CDBG allocation was also administered by the City in 2021-2022 to the benefit of the North Bay Childrens Center for construction of an outdoor garden classroom. The CDBG funds allow the City to support housing and community development programs that are targeted to primarily low-income households. For this fiscal year, funded projects and programs include housing rehabilitation through Rebuilding Together, emergency shelter rehabilitation through Committee on the Shelterless (COTS), and the Petaluma People Services Center (PPSC) Meals Program.

In addition to the annual award in FY 2022-2023, the City administered \$156,039 in CDBG-CV funding that was allocated in FY 2020 to respond to community needs based on the impacts of COVID. The funds were administered by PPSC and COTS for rental assistance for up to 6 months per low-income households. There is a remaining balance of \$39,493 that will be spent in FY 23-24.

With CDBG and CDBG-CV funding, the City achieved important progress toward its housing and community development goals and accomplishments during the 2022-2023 program year.

- Families and individuals unable to pay their rent due to impacts of COVID-19 received temporary rental assistance and related supportive services using CDBG-CV funds.
 - *Outcome – 89 at-risk households remained stably housed.*
- Low-income seniors and people with special needs received food delivery services through a Meals program using regular CDBG funds.
 - *Outcome – 298 persons were provided access to quality public services.*
- Rehabilitation of single-family dwellings occupied primarily by low-

income seniors and disabled individuals using CDBG funds.

- *Outcome – 32 homeowners preserved their affordable housing via needed repairs.*
- Modification of emergency shelter facility to align with trauma-informed practices.
 - *Outcome – 80-bed congregate shelter modified to increase privacy in sleeping areas and improve sense of safety for 295 individuals with trauma histories.*

PUBLIC OUTREACH

This agenda item appeared on the City’s tentative agenda document on August 8, 2023, which was a publicly noticed meeting. A public notice was published in the Argus Courier on August 18, 2023, to meet the required thirty day (30) public review period, and the report was posted on the City’s housing webpage. (24 CFR 91.105). Public comments received will be reported to Council during the Public Hearing. Comments received at the Public Hearing will be included in the final CAPER and submitted to HUD. The CAPER is posted on the City Housing Webpage at the following link: <https://cityofpetaluma.org/documents/city-of-petaluma-draft-caper-fy22-23/>

COUNCIL GOAL ALIGNMENT

The CAPER report aligns with the City Council Goal “A Safe Community That Thrives,” supporting facilities and design programs that create a healthy, resilient, and engaged community that is prepared, safe, and housed. This project is also consistent with the City of Petaluma 2020-2024 Consolidated Plan, specifically the goals to:

- Provide housing and services to the low-income populations, including but not limited to, children, seniors and special needs population.
- Improve housing opportunities by preserving existing affordable housing.

ENVIRONMENTAL REVIEW

The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, in that approving the CAPER Report and authorizing the City Manager to execute any documents related to submitting the CAPER to HUD for review/approval does not meet CEQA's definition of a “project,” because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and because the action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

FINANCIAL IMPACTS

No impact on the city’s General Fund as the City received \$329,577 of federal CDBG funding for the 2022-2023 program year.

ATTACHMENTS

1. Resolution
2. Exhibit A to Resolution - Consolidated Annual Performance and Evaluation Report FY 22- 23 (CAPER)
3. City Council Resolution to approve the 2022-2023 CDBG Annual Action Plan