



Substantial Amendment to the 2022-2023 Action Plan

City Council Meeting - April 11, 2023

Background

- On July 19, 2022, City Council approved the 2022-2023 Action Plan and on November 30, 2022, the Grant Agreement was executed by the City to accept the funds.
- Federal regulation 24 CFR 91.505 and the City's Community Participation Plan require a substantial amendment to the Consolidated Plan and/or Annual Action Plan if there is a change in a single activity budget in excess of 25% and/or a change in allocation priorities, purpose, scope, location or beneficiaries of an activity.
- The Amendment was posted on the Long Beach Development Services webpage and made available for 30 days and published in two local newspapers.

Reason for Reductions

- Some CDBG-funded programs accumulated excess carryover funds due to challenges in expenditures related to the COVID-19 pandemic.
- On September 21, 2022, HUD sent a letter to the City requesting action to meet the CDBG expenditure Timeliness Test to be performed on August 2, 2023.
- The adjustments are necessary in order to meet HUD's CDBG expenditure Timeliness Test and to advance Consolidated Plan priorities and strategic goals on the creation of affordable housing.
- The proposed funding adjustments/reductions to some programs will not operationally affect these programs and no programs will be cancelled.

Reallocated Funds: Reductions

Project	Funding Source	Amount
A. Home Improvement Roof Program	CDBG	(255,000)
A. Home Improvement Roof Program Delivery	CDBG	(135,000)
A. Enhanced Facade	CDBG	(510,000)
A. Targeted Placemaking (PBNIS)	CDBG	(350,000)
A. Other Activities (Below 25%)	CDBG	(175,000)
B. Code Enforcement	CDBG	(150,000)
C. Rapid Rehousing	ESG	(175,335)
C. Street Outreach	ESG	(56,665)
Total Reduced Funds		(1,807,000)

Reason for Increases

- Additional funding for land acquisition to help expand and accelerate the development of affordable housing with the City's focus on affordable housing production and the Homeless State of Emergency. Reallocated funding: \$1,425,000
- Fund the revised Neighborhood Grant Program, supported by public input during the Consolidated Planning process. Reallocated funding: \$150,000
- Adjust Rapid Rehousing and Street Outreach budgets to fund Emergency Shelter activities, as requested by Homeless Services Bureau. Reallocated funding: \$232,000
- Add Rental Payments as an activity within the existing Security Deposit Program to help prevent homelessness. No funding adjustment.

Reallocated Funds: Increases

Project	Funding Source	Amount
A. Real Property Activities: Acquisition, Demolition, Site Clearance	CDBG	1,425,000
B. Neighborhood Grant Program	CDBG	150,000
C. Emergency Shelter	ESG	232,000
Total Reallocated Funds		1,807,000

Summary

Approval of the Substantial Amendment will not materially impact existing Action Plan programs, and will:

1. Ensure City compliance with HUD Timeliness Test for CDBG expenditure and reduce the risk of funding loss;
2. Reallocate CDBG funding consistent with City housing priorities; and,
3. Provide funding to support responses to the current State of Emergency on Homelessness.

Recommendation

Approve the First Substantial Amendment to the Fiscal Year 2022-2023 Action Plan for the expenditure of Community Development Block Grant (CDBG), Home Investment Partnerships Program Grant (HOME), and Emergency Solutions Grant (ESG) funds; and,

Authorize the City Manager, or designee, to execute all necessary documents with the United States Department of Housing and Urban Development, and other entities, to execute agreements necessary to implement and comply with related federal regulations. (Citywide)



Thank you

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