


M E M O R A N D U M

DATE: June 5, 2019

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Linda F. Tatum, President 

SUBJECT: Recommend that the City Council Approve the FY20 Action Plan and FY19 Substantial Amendment (Citywide)

RECOMMENDATION:

Recommend that the City Council approve the Fiscal Year 2020 Action Plan and Substantial Amendment to the Fiscal Year 2019 Action Plan for the expenditure of Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funds.

DISCUSSION

The U.S. Department of Housing and Urban Development (HUD) requires the City to develop and submit a Five-Year Consolidated Plan (Consolidated Plan) and an annual Action Plan that furthers the goals established in the Consolidated Plan for use of Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solution Grant (ESG) funds. The current Consolidated Plan was approved by the City Council and HUD in 2017, and is valid from October 1, 2017, through September 30, 2022. HUD requires that the City Council review and approve an annual Action Plan that describes how HUD funds will be used to support programs and services that principally benefit low- and moderate-income residents, consistent with the Consolidated Plan as approved.

Implementation of the first Action Plan (FY 18) under the current Consolidated Plan is complete. The second Action Plan (FY 19) is underway and will be evaluated through the Consolidated Annual Performance and Evaluation Report (CAPER) and made available for public review and comment prior to being submitted to HUD by the required due date of December 31, 2019.

As part of the entitlement submittal to HUD, the City, through The Long Beach Community Investment Company (LBCIC), conducted its first public hearing on April 17, 2019 to solicit public comment on the development of the FY 20 Action Plan.

Action Plan describes in detail the proposed programs and services to be funded during the period of October 1, 2019, through September 30, 2020. The following table summarizes the FY 20 Action Plan funding (Attachments B, C, and D):

FY 20 Action Plan Budget

Available Funds	CDBG	ESG	HOME	TOTAL
New Entitlement	\$6,095,423	\$517,562	\$2,744,653	\$9,357,638
Program Income	\$60,000	\$0	\$1,200,000	\$1,260,000
Total Available Funds	\$ 6,155,423	\$517,562	\$3,944,653	\$10,617,638

The FY 20 Action Plan, as required by HUD's recent directives, will not include unspent reprogrammable funds from previous Action Plans. These funds will be spent through previously approved amended Action Plans and proposed substantial amendment to the FY 19 Action Plan. A substantial amendment is required by HUD regulations whenever an entitlement jurisdiction increases or decreases funding allocation to programs. The table above, FY 20 Action Plan Budget, illustrates CDBG, HOME and ESG new entitlement allocations and Program Income. The table below shows the reallocation of remaining FY 19 funds contained in the Substantial Amendment.

FY 19 Action Plan Substantial Amendment

Fiscal Year	Program	Reduced Amount	Program	Increased Amount
2019	Unspent Funds from Various Activities	(\$768,807)	Façade Improvement Program	\$ 568,807
			Interim Assistance	\$200,000
	Total	(\$768,807)	Total	\$768,807

As part of the entitlement submittal to HUD, the City, through The Long Beach Community Investment Company (LBCIC), conducted its first public hearing on April 17, 2019 to solicit public comment on the development of the FY 20 Action Plan.

Today, June 5, 2019, the LBCIC will conduct a second and final public hearing to solicit public comment on the FY 20 Action Plan and Substantial Amendment to the FY19 Action Plan. Notices regarding today's public hearing and the availability of the draft Action Plan were posted on the City website for public review 30 days prior to this public hearing. Advertisements were published in the *Press-Telegram*, *Impacto USA*, and *The Khmer Voice* announcing the availability of the draft Action Plan and details of the public hearing. In addition, stakeholders received an email notice about the public hearing and the availability of the draft Action Plan for review and comment. Staff conducted three public meetings in different CDBG-area neighborhoods to discuss the draft Action Plan. At the conclusion of today's public hearing, the LBCIC will be asked to recommend that the City Council approve the draft FY 20 Action Plan and the Substantial Amendment to the FY 19 Action Plan.

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City Council action will be requested on June 18, 2019, as the FY 20 Action Plan and Substantial Amendment to the FY 19 Action Plan must be submitted to HUD no later than August 15, 2019, forty-five days prior to the beginning of the new fiscal year.

SUGGESTED ACTION:

Approve recommendation.

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Attachment: A – FY 20 Action Plan and FY 19 Action Plan Substantial Amendment
B – FY 20 CDBG Proposed Budget
C – FY 20 HOME Proposed Budget
D – FY 20 ESG Proposed Budget