

M E M O R A N D U M

DATE: September 16, 2020

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Oscar W. Orci, President 

SUBJECT: Recommend that the City Council Approve the FY21 Action Plan and FY20 Substantial Amendment (Citywide)

RECOMMENDATION:

Recommend that the City Council approve the Fiscal Year 2021 (FY 21) Action Plan and Substantial Amendment to the Fiscal Year 2020 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 to further 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 also 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, which principally benefit low- and moderate-income residents, consistent with the approved Consolidated Plan.

Implementation of activities from the first and second Action Plans (FY 18 and FY 19) under the current Consolidated Plan are complete, with the exception of public infrastructure programs and place-based projects which remain underway. The third Action Plan (FY 20) and prior Substantial Amendments are 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, 2020.

The fourth Action Plan covering FY 21, and a FY 20 Action Plan Substantial Amendment (Attachment A) will continue to address the priority needs identified in the Consolidated Plan, which include: housing, homelessness, community facilities, infrastructure improvements, economic development, and community support services.

The FY 21 Action Plan describes in detail the proposed programs and services to be funded during the period of October 1, 2020, through September 30, 2021. Table 1, FY 21 Action Plan Budget, summarizes the CDBG, HOME and ESG from the new entitlement allocations and Program Income.

Table 1: FY 21 Action Plan Budget

Available Funds	CDBG	ESG	HOME	TOTAL
New Entitlement	\$6,151,677	\$535,591	\$2,901,396	\$9,588,664
Program Income	\$60,000	\$0	\$1,500,000	\$1,560,000
Total Available Funds	6,211,677	\$535,591	\$4,401,396	\$11,148,664

The proposed FY 20 Action Plan Substantial Amendment is required by HUD regulations whenever an entitlement jurisdiction increases or decreases funding allocation to programs. Unspent funds in FY 20 primarily came from CDBG Code Enforcement and Administration cost savings mostly as a result of staff redeployment and budgeted staff positions that were unfilled. These unspent FY 20 funds will be reallocated to the Façade Improvement Program as shown in the table below.

Table 2: FY 20 Action Plan Substantial Amendment

Fiscal Year	Program	Reduced Amount	Program	Increased Amount
2020	Code Enforcement	(\$496,706)	Façade Improvement Program	\$950,000
2020	Administration	(\$453,294)		
	Total	(\$950,000)	Total	\$950,000

Notices regarding the 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* and *Excelsior LA* 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 recommends that the LBCIC receive public comment on the FY 21 Action Plan and Substantial Amendment to the FY 20 Action Plan and recommend that the City Council approve the draft FY 21 Action Plan and the Substantial Amendment to the FY 20 Action Plan, which continues to carry out the priorities and programs contained in the existing approved Consolidated Plan.

SUGGESTED ACTION:

Approve recommendation.

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Attachment: A – FY 21 Action Plan and FY 20 Action Plan Substantial Amendment
B – FY 21 CDBG Proposed Budget
C – FY 21 HOME Proposed Budget
D – FY 21 ESG Proposed Budget