



Legislation Details (With Text)

File #: 21-0652 **Version:** 1 **Name:** DS - FY 2022 (FY22) Action Plan and FY21, 20, 19 and 18 Substantial Amendments

Type: Contract **Status:** CCIS

File created: 6/23/2021 **In control:** City Council

On agenda: 7/13/2021 **Final action:** 7/13/2021

Title: Recommendation to approve the Fiscal Year 2022 (FY 22) Action Plan and Substantial Amendments to the FY 21, FY 20, FY 19, and FY 18 Action Plans for the expenditure of Community Development Block Grant (CDBG), Home Investment Partnerships Program Grant (HOME), and Emergency Solutions Grant (ESG) funds; and

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

Sponsors: Development Services

Indexes:

Code sections:

Attachments: 1. 071321-R-26sr&att.pdf

Date	Ver.	Action By	Action	Result
7/13/2021	1	City Council	approve recommendation	Pass

Recommendation to approve the Fiscal Year 2022 (FY 22) Action Plan and Substantial Amendments to the FY 21, FY 20, FY 19, and FY 18 Action Plans for the expenditure of Community Development Block Grant (CDBG), Home Investment Partnerships Program Grant (HOME), and Emergency Solutions Grant (ESG) funds; and

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

The U.S. Department of Housing and Urban Development (HUD) requires the City to develop and submit a Five-Year Consolidated Plan (Consolidated Plan), which establishes a framework that identifies affordable housing and community development needs for the use of Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solution Grant (ESG) funds. An annual Action Plan furthers the goals established in the Consolidated Plan. A Substantial Amendment is required by HUD regulations whenever an entitlement jurisdiction (city) does not spend funds from previous Action Plans. 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 City Council approval of 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, second and third Action Plans (FY 18, FY 19 and FY 20) under the current Consolidated Plan are complete, except for public infrastructure programs and place-based projects which remain underway. The fourth Action Plan (FY 21) and prior Substantial Amendments are also 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, 2021.

The FY 22 Action Plan describes in detail the proposed programs and services to be funded during the period of October 1, 2021 through September 30, 2022. The following table summarizes the FY 22 Action Plan funding:

FY 22 Action Plan Budget

Available Funds	CDBG	ESG	HOME	TOTAL
New Entitlement	\$5,892,136	\$524,632	\$2,825,606	\$9,242,374
Program Income	\$60,000	\$0	\$1,500,000	\$1,560,000
Total Available Funds	\$5,952,136	\$524,632	\$4,325,606	\$10,802,374

Funds not spent from previous Action Plans cannot be included in the current FY 22 Action Plan and will be spent through Action Plan Substantial Amendments for FY 21, FY 20, FY 19, and FY 18. The table above, FY 22 Action Plan Budget, illustrates CDBG, HOME and ESG from the new entitlement allocations and Program Income. The remaining FY 21, FY 20, FY 19, and FY 18 unspent funds will be reallocated to property acquisition for a future affordable housing project, as shown in the table below. Creation of affordable housing is identified as Priority Need in the City’s Consolidated Plan.

FY 21, 20, 19 and 18 Action Plan Substantial Amendment

	2018	2019	2020	2021	Total
Acquisition for Housing (Prior)	(150,000)	(52,000)			(202,000)
Code Enforcement			(108,089)	(349,814)	(457,903)
Administration			(105,809)	(180,974)	(286,783)
Other Activities (Below 25%)	(112,524)	(98,535)	(105,938)	(146,207)	(463,203)
Commercial Improvement				(99,890)	(99,890)
Total	(262,524)	(150,535)	(319,836)	(776,885)	(1,509,779)

The fifth and final FY 22 Action Plan (Attachment A - FY 22 Action Plan and FY 21, FY 20, FY 19, and FY 18 Action Plan Substantial Amendments) 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 activities and funding sources that address the five-year Consolidated Plan goals in this Action Plan period are shown in the table below:

Consolidated Plan Goals	Category	Needs Addressed	Funding (New and Amended)	Activities
1. Create and preserve affordable housing (Citywide)	Housing	Households with unmet housing needs	CDBG: \$2,005,346 HOME: \$3,698,046	New Construction, Acquisition, Rehab, Home Improvement
2. Support activities to end homelessness (Citywide)	Homeless	Homelessness	CDBG: \$100,000 ESG: \$485,285 HOME: \$345,000	Essential Services, Rapid-Rehousing, Prevention and Street Outreach, Security Deposit
3. Eliminate blight and strengthen neighborhoods (Targeted)	Non-Homeless Public Services	Special Needs Populations Community and Public Services	CDBG: \$410,000	Youth Services Senior Services
1.	Strengthen Neighborhoods	Improve Livability in Low-income Neighborhoods	CDBG: \$3,171,287	Place-Based Neighborhood Improvement, Graffiti Removal, Neighborhood Resources, Code Enforcement and Sidewalk Improvement Projects
4. Expand economic opportunities (Targeted)	Economic Development	Improve Economic Opportunity	CDBG: \$454,987	Business Storefront Improvement, Technical Business Assistance/ Inclusive Entrepreneurship Program

5. Promote fair housing choice (Citywide)	Promote Fair Housing	Fair Housing	CDBG: \$85,000	Fair Housing Services (Fair Housing Foundation of Long Beach)
N/A	Administration and Planning Costs	Administration Program Expenses	CDBG: \$1,000,000 ESG: \$39,347 HOME: \$282,560	Administrative Staff, Department Overhead, Indirect Costs

As part of the entitlement submittal to HUD, the City, through the Long Beach Community Investment Company (LBCIC), conducted its public hearings on April 21, 2021 and June 23, 2021 to solicit public comment on the draft Action Plan. 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 the hearings. Advertisements were published in the *Long Beach Press-Telegram*, *Impacto USA*, and *The Khmer Voice* announcing the availability of the draft Action Plan and details of the public hearings. In addition, stakeholders received an email notice about the public hearing and the availability of the draft Action Plan for review and comment. At the conclusion of the public hearing on June 16, 2021, the LBCIC Board voted to recommend that the City Council approve the draft FY 22 Action Plan and Substantial Amendment to the FY 21, FY 20, FY 19, and FY 18 Action Plans.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on June 14, 2021 and by Budget Management Officer Rhutu Amin Gharib on June 21, 2021.

EQUITY LENS

The City has incorporated the Equity Toolkit into this recommendation. This recommendation will assist low-income Long Beach residents and businesses located in CDBG areas.

City Council action is requested on July 13, 2021, as the FY 22 Action Plan and Substantial Amendment to the FY 21, FY 20, FY 19, and FY 18 Action Plans must be submitted to HUD by August 15, 2021 to receive funding for the new fiscal year.

In FY 22, the City will receive \$9,242,374 in CDBG, HOME, and ESG entitlement funds and an estimated \$1,560,000 in Program Income. These funds are budgeted in the Community Development Grants Fund Group in the Development Services Department through the annual budget process. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. These grant funds generate a broad, positive impact on job creation and retention within the community. Based on a HUD formula for job creation, the direct infusion of entitlement funds into programs will support local businesses, and spur infrastructure and housing improvements that generate an estimated 274 jobs within the community.

Approve recommendation.

OSCAR W. ORCI
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

THOMAS B. MODICA
CITY MANAGER