



Legislation Details (With Text)

File #: 17-0587 **Version:** 1 **Name:** DS - FY18 5-Year Consolidated and Annual Plan
Type: Agenda Item **Status:** Approved
File created: 6/28/2017 **In control:** City Council
On agenda: 7/18/2017 **Final action:** 7/18/2017

Title: Recommendation to approve the 2018-2022 Five-Year Consolidated Plan and Fiscal Year 2018 Action Plan for the Community Development Block Grant, Home Investment Partnership Grant, and Emergency Solutions Grant Funds;

Approve the First Substantial Amendment to the Fiscal Year 2017 Action Plan, and the Second Substantial Amendment to the Fiscal Year 2016 Action Plan; and

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

Sponsors: Development Services

Indexes: Agreements, Amendments

Code sections:

Attachments: 1. 071817-R-30sr&att.pdf, 2. 071817-R-30 PowerPoint.pdf, 3. 071817-R-30 TFF Memo.pdf

Date	Ver.	Action By	Action	Result
7/18/2017	1	City Council	approve recommendation	Pass

Recommendation to approve the 2018-2022 Five-Year Consolidated Plan and Fiscal Year 2018 Action Plan for the Community Development Block Grant, Home Investment Partnership Grant, and Emergency Solutions Grant Funds;

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The Five-Year Consolidated Plan (Consolidated Plan) (Exhibit A) is a requirement of the United States Department of Housing and Urban Development (HUD), and must be developed by local governments in order to receive federal community development and housing funds. The City's current Consolidated Plan, approved by the City Council on July 10, 2012, will expire on September 30, 2017.

The Consolidated Plan assesses the City's current housing market, analyzes demographic, racial/ethnic and socio-economic conditions, and identifies the community and housing needs

for various populations including seniors, families, persons who are homeless or at risk of homelessness, and persons with disabilities. It also defines the City’s priority needs, strategies, and objectives, as well as taking into consideration the City’s certified Fair Housing Assessment (AFH) goals. Based upon HUD’s recent acceptance of the City’s AFH, five major goals were developed in the Consolidated Plan as follows:

1. Assist in the creation and preservation of affordable housing for lower-income and special needs households.
2. Support activities to end homelessness.
3. Support activities that assist with basic needs, eliminate blight, and/or strengthen neighborhoods.
4. Expand economic opportunities for low-income households.
5. Promote fair housing choice.

The assessment done during preparation of the Consolidated Plan provides the basis for the City’s approach in allocating the following federal dollars:

- **Community Development Block Grant (CDBG) Program** - The CDBG Program is a flexible program that supports the development of viable urban communities by providing decent housing, encouraging a suitable living environment, and expanding economic opportunities, principally for lower-income households.
- **HOME Investment Partnership Program** - The HOME Program provides financial assistance to help increase the supply of affordable rental and homeownership housing for low-income households through the acquisition, rehabilitation, or construction of affordable housing, and through the provision of tenant-based rental assistance.
- **Emergency Solutions Grant (ESG) Program** - The ESG Program provides matching grants to help pay for shelter operating expenses and for other essential services to the homeless.

In each of the five years covered under the Consolidated Plan, HUD requires entitlement jurisdictions to submit an Annual Action Plan (Action Plan), which provides a one-year strategy for meeting the goals stipulated in the Consolidated Plan. The proposed Action Plan covers Fiscal Year 2017-2018 (FY 18).

The proposed Action Plan describes the allocation of resources that will be available in FY 18 to implement specific programs, activities and actions identified in the Consolidated Plan. These activities must meet specific eligibility requirements and national objectives established by HUD regulations.

The following table describes the amount of HUD funding estimated to be available for the FY 18 Action Plan by Program:

FY 18 Action Plan Budget

Available Funds	CDBG	ESG	HOME	TOTAL
New Entitlement	\$5,516,208	\$491,233	\$2,170,329	\$8,177,770

Program Income	\$80,000	\$0	\$1,000,000	\$1,080,000
Total Available Funds	\$5,596,208	\$491,233	\$3,170,329	\$9,257,770

The FY 18 Action Plan, as required by HUD’s recent directives, will not include unspent reprogrammable funds from prior Action Plans. These funds will be reallocated, through an amendment, to different programs consistent with the 2013-2017 Consolidated Plan, and continue to be accounted for and spent under the amended FY 16 and FY 15 Action Plans. As a result of this new rule, FY 18 Action Plan resources for CDBG, HOME and ESG may only come from new entitlement allocations and future Program Income, as shown in the above table. The table below shows the reallocation of remaining FY 17 and FY 16 funds contained in the Amendments.

FY 17 Action Plan First Substantial Amendment

Program	Reduced Amount	Program	Increased Amount
Unspent Funds from Various Activities	(\$268,000)	Sidewalk Improvement Project	\$268,000
Total Reallocated	(\$268,000)	Total	\$268,000

FY 16 Action Plan Second Substantial Amendment

Program	Reduced Amount	Program	Increased Amount
Unspent Funds from Various Activities	(\$373,790)	Targeted Infrastructure Project	\$188,790
		Acquisition	\$185,000
Total Reallocated	(\$373,790)	Total	\$373,790

Also required by HUD is the development or update and implementation of a Citizen Participation Plan (Exhibit A, Appendix E). To comply with this provision, as well as ensure an open, inclusive community process that encourages meaningful public participation in the development of both the Consolidated Plan and the Action Plan, staff conducted an extended, multifaceted outreach process as part of the preparation of this Consolidated Plan (Exhibit A, Appendix A). The goal of this overall effort was to reach constituents who normally do not participate in organized outreach efforts. The City’s inclusive outreach process included traditional community workshops and alternative methods for engagement, including door-to-door outreach in CDBG-eligible neighborhoods, participatory priority-based budgeting workshops, online surveys in four languages, social media outreach, and YouTube videos. All of these efforts were geared towards expanding access to participation by the City’s residents.

The Long Beach Community Investment Company (LBCIC) is responsible for compliance with the aforementioned Citizen Participation Plan. As such, it conducted two public hearings and a study session, which were noticed in the Long Beach Press-Telegram, the Khmer Post, and Impacto newspapers. The LBCIC held its first public hearing on March 15, 2017, to solicit public comments on the development of the City’s new five-year Consolidated Plan and the FY 18 Action Plan. The study session and second public hearing were held on June 21, 2017, following the release of the draft plans for a 30-day public comment period. At the conclusion of the second public hearing, the LBCIC voted to recommend that the City Council approve the draft 2018-2022 Consolidated Plan and FY 18 Action Plan as presented.

This matter was reviewed by Deputy City Attorney Amy R. Webber on June 7, 2017 and by Budget Operations Administrator Grace Yoon on June 26, 2017.

City Council action is requested on July 18, 2017, as the Consolidated Plan and FY 18 Action Plan must be submitted to HUD no later than August 15, 2017, 45 days prior to the beginning of the new fiscal year.

In FY 18, the City will receive \$8,177,770 in CDBG, HOME and ESG entitlement funds that will be budgeted in the Community Development Grants Fund (SR 150) in the Development Services Department (DV) through the annual budget process. These grant funds generate a broad, positive impact on job creation and retention within the community. Based on the HUD formula, the direct infusion of entitlement funds into programs that support local businesses and spur infrastructure and housing improvements will generate an estimated 144 jobs within the community.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER