



Legislation Text

File #: 23-0344, **Version:** 1

Recommendation to 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 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)

The City of Long Beach (City) receives federal funds from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) entitlement programs. As a requirement to receive these funds, the City must adopt and submit a Consolidated Plan (Plan) to HUD. The Plan is a five-year planning document that describes community needs, goals, and activities to be undertaken. For each year of the five-year plan, the City is required to adopt an Annual Action Plan for the use of CDBG, HOME and ESG funds. The City's 2023 - 2027 Consolidated Plan and Fiscal Year (FY) 2023 Action Plan were approved by the City Council for submittal to HUD on July 19, 2022 and were subsequently approved by HUD. Since the time of approval, the City has faced certain challenges in some expenditure areas and wishes to make adjustments consistent with the City's focus on affordable housing production and the homeless state of emergency.

Federal regulation 24 CFR 91.505 and the City's Citizen 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 percent and/or a change in allocation priorities, purpose, scope, location or beneficiaries of an activity.

The City is proposing a First Substantial Amendment (Attachment A) to its FY 2022-2023 Annual Action Plan to accomplish the following:

1. Adjust and move CDBG funding allocations to various programs to create a funding source to acquire land or real property to expand and accelerate the development of affordable housing
2. Fund the revised Neighborhood Grant Program, now that the activity meets HUD requirements
3. Adjust Rapid Rehousing and Street Outreach budgets to fund Emergency Shelter activities to better meet local needs

4. Add rental payments as an activity within the Security Deposit Program to help prevent homelessness.

The proposed funding reduction to some programs in this First Substantial Amendment will not operationally affect these programs as they will be left with sufficient funding to continue their services in the near-term and in the long-term they will be funded through future Action Plan budget cycles.

. The First Substantial Amendment was made available for public review for 30 days. Notice of the proposed amendment was published in two local newspapers of general circulation. Any comments or views of citizens received in writing, via e-mail or orally at public hearings will be considered and included as an attachment to the final Substantial Amendment.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on March 7, 2023 and by Revenue Management Officer Geraldine Alejo on March 8, 2023.

City Council action is requested on April 11, 2023, as the First Substantial Amendment to the 2022-2023 Fiscal Year must be submitted to HUD as soon as possible. Funds must be expended and drawn by August 2, 2023 to meet a timeliness test that occurs on this date.

There is no fiscal or local job impact associated with this recommendation. The First Substantial Amendment reallocates \$1,807,000 appropriated in the Community Development Grants Fund Group in the Development Services Department to other eligible programs that address the needs, strategies and goals identified in the City's approved Consolidated Plan. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities.

Approve recommendation.

CHRISTOPHER KOONTZ
DIRECTOR
DEVELOPMENT SERVICES

APPROVED:

THOMAS B. MODICA
CITY MANAGER