



Legislation Details (With Text)

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|-----------------------|---|----------------------|---|----------------------|---|
| File #: | 20-1010 | Version: | 1 | Name: | DS - Annual Action plan for Consolidated Plan/spending plan |
| Type: | Agenda Item | Status: | | Status: | Approved |
| File created: | 9/23/2020 | In control: | | In control: | City Council |
| On agenda: | 10/13/2020 | Final action: | | Final action: | 10/13/2020 |
| Title: | Recommendation to approve the Fiscal Year 2021 (FY 21) Action Plan and Substantial Amendment to the FY 20 Action Plan for the expenditure of Community Development Block Grant, Home Investment Partnership Grant, and Emergency Solutions Grant funds; 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 and execute agreements necessary to implement and comply with related federal regulations. (Citywide) | | | | |
| Sponsors: | Development Services | | | | |
| Indexes: | | | | | |
| Code sections: | | | | | |
| Attachments: | 1. 101320-R-10sr&att.pdf, 2. 101320-R-10 Corresp. Gonzales.pdf | | | | |

| Date | Ver. | Action By | Action | Result |
|------------|------|--------------|------------------------|--------|
| 10/13/2020 | 1 | City Council | approve recommendation | Pass |

Recommendation to approve the Fiscal Year 2021 (FY 21) Action Plan and Substantial Amendment to the FY 20 Action Plan for the expenditure of Community Development Block Grant, Home Investment Partnership Grant, and Emergency Solutions Grant funds; 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 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) 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 requires 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, except for public infrastructure programs and place-based projects that 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 FY 21 Action Plan and 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. The following table summarizes the FY 21 Action Plan funding:

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 because 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:

FY 20 Action Plan Substantial Amendment

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

Façade Improvement is identified as a Priority Need in the City's Consolidated Plan. Strategically located storefront Façade Improvements catalyze revitalization efforts, encourage property reinvestment, and attract and retain new businesses. This program will be implemented in CDBG area business corridors surrounded by CDBG-eligible neighborhoods.

As part of the entitlement submittal to HUD, the City, through the Long Beach Community Investment Company (LBCIC), conducted its public hearing on September 16, 2020 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 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. At the conclusion of the public hearing, the LBCIC Board voted to recommend that the City Council approve the draft FY 21 Action Plan and Substantial Amendment to the FY 20 Action Plan.

This matter was reviewed by Assistant City Attorney Michael J. Mais on September 24, 2020 and by Budget Analysis Officer Julissa José-Murray on September 22, 2020.

City Council action is requested on October 13, 2020, as the FY 21 Action Plan and Substantial Amendment to the FY 20 Action Plan must be submitted to HUD to receive funding for the new fiscal year.

In FY 21, the City will receive \$9,588,664 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. These grant funds generate a broad, positive impact on job creation and retention within the community. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. 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.

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OSCAR W. ORCI
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

THOMAS B. MODICA
CITY MANAGER