



Legislation Text

File #: 19-0568, Version: 1

Recommendation to approve the Fiscal Year 2020 (FY 20) Action Plan and Substantial Amendment to the FY 19 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 United States 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 that furthers the goals established in the Consolidated Plan for the use of Community Development Block Grant (CDBG), Home Investment Partnership Grant (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 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 the first Action Plan (FY 18) under the current Consolidated Plan is complete. The second Action Plan (FY 19) is 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, 2019.

The FY 20 Action Plan and FY 19 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 20 Action Plan describes in detail the proposed programs and services to be funded during the period of October 1, 2019 through September 30, 2020. The following table summarizes the FY 20 Action Plan funding:

FY 20 Action Plan Budget

Available Funds	CDBG	ESG	HOME	TOTAL
New Entitlement	\$6,095,423	\$517,562	\$2,744,653	\$9,357,638
Program Income	\$60,000	\$0	\$1,200,000	\$1,260,000
Total Available Funds	\$6,155,423	\$517,562	\$3,944,653	\$10,617,638

The FY 20 Action Plan, as required by HUD's recent directives, will not include unspent reprogrammable funds from previous Action Plans. These funds will be spent through previously approved amended Action Plans and the proposed Substantial Amendment to the FY 19 Action Plan. A substantial amendment is required by HUD regulations whenever an entitlement jurisdiction increases or decreases funding allocation to programs. The table above, FY 20 Action Plan Budget, illustrates CDBG, HOME and ESG from the new entitlement allocations and Program Income. The remaining FY 19 unspent funds will be reallocated to the Façade Improvement Program and the Interim Assistance Program as further discussed and summarized in the table below.

FY 19 Action Plan Substantial Amendment

Program	Reduced Amount	Program	Increase d Amount
Unspent Funds from Various Activities	(\$768,807)	Façade Improvement Program	\$568,807
		Interim Assistance	\$200,000
Total	(\$768,807)	Total	\$768,807

Façade Improvement is an economic development activity and 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.

Interim Assistance is identified in the City's Consolidated Plan as a Priority Need. This program will be implemented in conjunction with many other activities that are funded through CDBG and the General Fund, and is designed to seize deterioration in selected CDBG areas. The program organizes, empowers, and involves area residents to execute special garbage, trash and debris removal through neighborhood cleanup campaigns. As required by HUD, the City is proposing to implement this program for not more than two consecutive years.

As part of the entitlement submittal to HUD, the City, through The Long Beach Community Investment Company (LBCIC), conducted its first public hearing on April 17, 2019 and a second public hearing was conducted on June 5, 2019, to solicit public comment on the development of the FY 20 Action Plan and the FY 19 Action Plan Substantial Amendment. Notices regarding the public hearings 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 *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. Staff conducted three meetings in different CDBG-area

neighborhoods to discuss the draft Action Plan. At the conclusion of the public hearing on June 5, 2019, the LBCIC Board voted to recommend that the City Council approve the draft FY 20 Action Plan and Substantial Amendment to the FY 19 Action Plan.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on May 28, 2019 and by Budget Management Officer Rhutu Amin Gharib on May 29, 2019.

City Council action is requested on June 18, 2019, as the FY 20 Action Plan and Substantial Amendment to the FY 19 Action Plan must be submitted to HUD no later than August 15, 2019, 45 days prior to the beginning of the new fiscal year.

In FY 20, the City will receive \$9,357,638 in CDBG, HOME, and ESG entitlement funds and an estimated \$1,260,000 in Program Income. These funds will be 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 212 jobs within the community.

Approve recommendation.

LINDA F. TATUM, FAICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER