

## M E M O R A N D U M

**DATE:** March 15, 2023

**TO:** Board of Directors  
The Long Beach Community Investment Company

**FROM:** Christopher Koontz, President (CK)

**SUBJECT:** Substantial Amendment to the 2022-2023 Action Plan (Citywide)

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### **RECOMMENDATION:**

Recommend that the City Council approve the First Substantial Amendment to the Fiscal Year 2022-2023 Action Plan for the expenditure of Community Development Block Grant (CDBG), Home Investment Partnership Grant (HOME), and Emergency Solutions Grant (ESG) funds. (Citywide)

### **DISCUSSION**

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 of Long Beach 2023 - 2027 Consolidated Plan and Fiscal Year (FY) 2023 Action Plan were approved by City Council for submittal to HUD on July 19, 2022 (22-0832) 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 focus on affordable housing production and the homeless state of emergency.

Federal regulation 24 CFR 91.505 and the City's Citizen Participation Plan requires 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 in order 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; and,
4. Add rental payments as an activity within the existing Security Deposit Program to help prevent homelessness.

The presentation today will provide more details about the changes proposed (Attachment B). 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.

**SUGGESTED ACTION:**

Approve recommendation.

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Attachments: A – Substantial Amendment to the 2022-2023 Action Plan  
B – Presentation for the Substantial Amendment to the 2022-2023 Action Plan