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Title: CONTINUED PUBLIC HEARING FROM CITY COUNCIL MEETING OF APRIL 19, 2022 PUBLIC HEARING TO CONSIDER THE PROPOSED ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2022/23, AND ADOPTION OF THE 2022-2023 ANNUAL ACTION PLAN (CITY COUNCIL)

Sponsors:

Indexes:

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Attachments: 1. EXHIBIT NO. 1 Draft FY 2022-2023 Annual Action Plan

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, April 19, 2022
Special Orders of the Day

SUBJECT:

CONTINUED PUBLIC HEARING FROM CITY COUNCIL MEETING OF APRIL 19, 2022 PUBLIC HEARING TO CONSIDER THE PROPOSED ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2022/23, AND ADOPTION OF THE 2022-2023 ANNUAL ACTION PLAN (CITY COUNCIL)

I. SUMMARY

Each year, the City Council conducts a public hearing on the City’s Annual Action Plan (AAP), its application to the U. S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) program. Staff had noticed the required public hearing for this Council meeting and prepared a draft 2022-2023 Annual Action Plan for public review based on a requirement to a) submit the AAP to HUD not less than 45 days prior to the July 1 start of the CDBG program year (generally by May 15 each year), and b) prior to that submission, subject the AAP to a period of public review and comment of not less than 30 days.

Since HUD had not yet provided the City with notice of its Program Year (PY) 2022 CDBG entitlement allocation, staff prepared that draft Action Plan based on an estimate that the entitlement funding would be kept at PY 2021 levels. However, unlike previous years, on

April 1, 2022, HUD issued guidance advising grantee jurisdictions to not submit their Annual Action Plans until HUD had confirmed their funding allocations. HUD further provided the all jurisdictions with a 60-day window from the date of that eventual notification of entitlement allocation to prepare and submit their Annual Action plans. Therefore, staff is requesting that the public hearing proceed for the purpose of hearing public testimony, including presentations from applicants for funding as well as discussion by the City Council regarding the expenditures of the next fiscal year. However, Council must defer a decision on funding allocations to a subsequent agenda after HUD has confirmed the City's 2022-2023 CDBG entitlement allocation.

II. RECOMMENDATION

TAKE the following actions:

1. **OPEN** the Public Hearing, **TAKE** public testimony, and **CLOSE** the Public Hearing,
2. **DEFER** the allocation of CDBG funding for FY 2022/23 (PY 2022) and the adoption of the 2022-23 Annual Action Plan to a subsequent agenda following the notification by the U. S. Department of Housing and Urban Development of the City's PY 2022 CDBG funding.
3. **PROVIDE** direction to staff on the possible activities and their allocation percentages for the 2022-23 Annual Action Plan.

III. ALTERNATIVES

TAKE another action that the City Council deems appropriate.

IV. BACKGROUND

The City of Carson annually receives CDBG funds under the federal Housing and Community Development Act of 1974, as amended, due to its status as an "entitlement" jurisdiction (based on having a population above 50,000 and meeting certain other demographic criteria). CDBG funding can be used for a variety of projects and programs primarily benefiting low- and moderate-income persons (the focus of the aforementioned demographic criteria.)

HUD guidelines, as found in Title 24 CFR (Code of Federal Regulations) Part 91 and Part 570, mandate a minimum of two public hearings on a jurisdiction's activities in a given program year. One is required prior to the submission of the AAP, and another is required prior to the submission of the Consolidated Annual Performance and Evaluation Report (CAPER), which is a summary of activities at the end of a program year. Since the elimination of the Citywide Advisory Commission (CAC), City Council has traditionally considered the AAP in a public hearing constituting the sole avenue for public input into the Plan.

The statutes and regulations governing the CDBG program set forth three basic objectives against which HUD will evaluate the AAP and the City's performance in relation to its most recent Five-Year Consolidated Plan (covering the 2020/21 through 2024/25 fiscal and

related CDBG program years). Each AAP must state how the jurisdiction intends to pursue these objectives. These statutory objectives are:

- Provision of decent housing; and
- Provision of a suitable living environment; and
- Provision of expanded economic opportunities.

Based on the entitlement allocation notification and following the receipt of responses to a Request for Proposals (RFP), City staff prepared a draft AAP (Exhibit No. 1), which has been released for public review and comment for a minimum of 30 days, beginning March 17, 2022 and ending April 18, 2022. (A 30-day review and comment period is required prior to submission of the AAP to HUD.) That draft AAP included a budget for PY 2022 that was based on the PY 2021 entitlement amount of \$793,714 and allocated the anticipated available funds according to HUD-mandated proportions:

- A maximum of 20% for program administration; and
- A maximum of 15% for public services; and
- The remainder (65% or more) can be used for capital activities (physical improvements).

Capital Activities/Physical Improvements

The two projects receiving the bulk of the capital funding in the proposed AAP are the Neighborhood Pride Program (residential rehabilitation) which would be funded at \$255,967, and the Anderson Park Improvements project (physical improvements to improve that park's compliance with the Americans with Disabilities Act) at \$220,000. (Funding for the Anderson Park project is included in PY 2022 because, as was noted in the summary of the proposed Substantial Amendment under consideration at this meeting, that project will likely not be completed in PY 2021.) If alternative funding can be found for Anderson Park, that \$220,000 can also be allocated to the Neighborhood Pride Program resulting in assisting additional residents or it could be allocated into similar ADA improvements at other City facilities. Also included here is an allocation of \$39,948 to cover rehabilitation program staffing costs, bringing the capital improvements total to \$515,915.

Public Services

CDBG regulations limit public services to no more than 15% of CDBG funds, and Carson historically has allocated the maximum 15% to local non-profit human and social service providers, which based on the PY 2022 estimate totals \$119,057. For PY 2022, six proposals were received. One of these was from the fair housing services provider, the Los Angeles-based Housing Rights Center (HRC), whose services enable the City to fulfill the HUD mandate to affirmatively further fair housing within its boundaries.

HRC requested \$40,000, the same amount approved in PY 2021. Staff believes it critical to maintain this program at its current levels. The other proposals received, with requested amounts and current allocated amounts, are as follows:

Boys and Girls Clubs of Carson:	\$100,000 (current funding \$50,000*)
Family Promise of the South Bay:	\$127,600 (current funding \$60,000**)

Harbor Area Gang Alternatives Program: \$20,000 (current funding \$15,000)

Office of Samoan Affairs: \$24,000 (current funding \$15,000)

Venice Family Clinic (successor to South Bay Family Health Care):
\$20,000 (current funding \$15,000)

*\$34,828 from CDBG, \$15,172 from General Fund.

**Funding from CDBG-CV, the supplemental funding to deal with the coronavirus emergency.

Once the City's allocation is determined, the City Council can determine which of the recipients receive funding and how much is allocated to each.

Alternatively, the City Council can direct staff to fund the service providers with the General Fund or the Housing Authority Funds.

For example, HRC and Family Promise can be funded by the Housing Authority and the remainder could be funded by the General Fund.

It should be noted from an administrative cost point of view, it is more efficient to have fewer service providers with larger allocations than it is to have smaller allocation for larger number of service providers. **V. FISCAL IMPACT**

The eventual action would allocate the PY 2022 CDBG entitlement grant, but that amount has yet to be determined. Once the amount is determined by HUD and the City is informed, staff will bring the final number to the City Council for a vote on the final allocation. Impact to the General Fund is not anticipated if all allocations are recommended to be funded by CDBG.

VI. EXHIBITS

1. 2022-2023 Annual Action Plan, Draft for Public Review (pgs. 5-51)

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