



Legislation Details (With Text)

**File #:** 2024-0374    **Version:** 1    **Name:**  
**Type:** Special Order    **Status:** Agenda Ready  
**File created:** 5/8/2024    **In control:** City Council  
**On agenda:** 6/18/2024    **Final action:**  
**Title:** PUBLIC HEARING TO CONSIDER THE PROPOSED ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2024/25, AND ADOPTION OF THE 2024-2025 ANNUAL ACTION PLAN (CITY COUNCIL)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. DraftAAP\_PY2024 - 6-18-24.pdf, 2. 2024-25 Draft AAP Budget Exhibit No. 2.pdf

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

Tuesday, June 18, 2024  
Special Orders of the Day

**SUBJECT:**

**PUBLIC HEARING TO CONSIDER THE PROPOSED ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2024/25, AND ADOPTION OF THE 2024-2025 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 noticed the required public hearing for this Council meeting and prepared a draft 2024-2025 Annual Action Plan for public review based on a requirement to prior to that submission of the AAP to HUD, subject the AAP to a period of public review and comment of not less than 30 days.

HUD posted the PY 2024 entitlement allocations for its grantee jurisdictions on the website May 7<sup>th</sup>, 2024. The new entitlement allocation for the City of Carson is \$717,241, which has an increase of \$8,018 (1%) from prior 2023/24-year allocation of \$709,223. Staff has prepared a draft AAP, subject to the required minimum 30-day public review period and published the public hearing notice.

## **II. RECOMMENDATION**

TAKE the following actions:

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing.
2. ALLOCATE CDBG public service funding for FY 2024/25 (PY 2024) as designated by City Council.
3. AUTHORIZE the Mayor to execute agreements with the public service providers as designated by City Council following negotiation and approval as to form by the City Attorney
4. APPROVE the proposed FY 2024/25 (PY 2024) CDBG budget.
5. APPROVE the submission of the City's 2024-2025 Annual Action Plan to the U. S. Department of Housing and Urban Development.
6. DIRECT staff to bring back Substantial Amendment to the 2019-20 Annual Action Plan to provide funding to Family Promise of South Bay from the CDBG-CV funds.

## **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 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. In years past, the Citywide Advisory Commission (CAC) has held one or more public hearings prior to the formulation of the draft AAP, but Council action two years ago eliminated the CAC. City Council has traditionally considered the AAP in a public hearing during a regular Council meeting (as is the case this evening), which now constitutes 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;
- Provision of a suitable living environment; and
- Provision of expanded economic opportunities.

Based on the allocation and the following receipt of the responses from the city's Notice of Funding Availability (NOFA), staff prepared a draft AAP

(Exhibit No.1), which have been released for public review and comment for a minimum of 30 days, beginning May 16<sup>th</sup>, 2024, and ending June 17<sup>th</sup>,2024. The draft AAP which includes the entitlement budget that has been increased to an amount of \$717,241, which represents a percentage of 1.00% increase. The entitlement funds according to HUD-mandate proportions are as follows:

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

The budget summary that accompanied the draft AAP is included as Exhibit No 2.

### **Program Administration**

The maximum of 20% or **\$143,448.00** for program administration has been included in the proposed budget.

### **Capital Improvements**

Most of the capital funding will be allocated to the Neighborhood Pride Program (residential rehabilitation), which would be an estimated amount of \$471,160 inclusive of the NPP projects, Housing Inspections, Lead & Asbestos testing as well as reports and recordation of documents.

### **Public Services**

CDBG regulations limit public services to no more than 15% of CDBG funds, which based on the estimated PY 2024 allocation it would be \$107,586. Carson has historically allocated the maximum 15% to local non-profit human and social service providers. For PY 2024, eight proposals were received. The eight requests' totals \$285,627, which far exceeds the public service allocation amount of \$107,586. limit proposed by HUD. Therefore, staff's recommendation to City Council for FY 2024/25 AAP is to consider continuing to fund the five programs currently funded (Boys and Girls Club of Carson, Harbor Gang Alternatives Program, Office of Samoan Affairs and Venice Family Clinic) for the amount listed below, which represents 14% of the final entitlement allocation published May 7<sup>th</sup>, 2024.

The seventh proposal received, Family Promise of the South Bay, is recommended to be funded through the Covid-related CDBG-CV program, similar to the program that was

funded last year.

The eighth proposal received from Eubanks Conservatory of Music and Arts (first time applicant), unfortunately all the required documentation was not received in the submission time frame in the amount of \$20,000, therefore staff could not include in the recommended proposals.

### **Housing Rights Center**

HUD mandates that jurisdictions receiving CDBG funding affirmatively further fair housing within their boundaries, and fair housing services are counted under the public services cap. Unfortunately, a proposal was not received by the city's current provider Housing Rights Center during the proposal time of submission, therefore staff reached out to Fair Housing Foundation to ensure the city is offering fair housing services needed in the community.

Upon reviewing the proposal and meeting with the executive staff from Fair Housing Foundation by our Assistant City Manager and Housing Administrator, staff is recommending allocating the provider in the amount of \$34,627 to be the new Fair Housing Service Provider.

### **Service Providers**

- Boys and girls club of Carson (after school and summer development and educational support programming for youth at 21502 South Main Street, Carson);  
Current Allocation: \$30,754  
Requested Allocation: \$100,000  
Recommended Allocation: \$23,006  
Projected Service level: 50 Carson households
- Harbor Area Gang Alternatives Program (gang prevention curriculum for fourth grade students in the following elementary schools: (Ambler Avenue, Catskill Avenue, Dolores Street, Dominguez, Towne Avenue and 232<sup>nd</sup> Place, Carson):  
Current Allocation \$10,250  
Requested Allocation \$16,000  
Recommended Allocation: \$15,000  
Projected Service Level: 400 Carson households
- Office of Samoan Affairs (multifaceted program of social services to youth, elderly, and families, including such services as advocacy and referral; job assistance. Life skills, management assistance, domestic violence counseling and prevention and counseling to the homeless and person at risk of homelessness at (454 East Carson Plaza Drive, Ste 109, Carson)  
Current Allocation: \$20,502  
Requested Allocation \$25,000  
Recommended Allocation \$15,000  
Projected Service Level: 90 Carson Households
- Venice Family Clinic (free community health clinic for the uninsured and the underinsured at

270 West 223<sup>rd</sup> Street, Carson):  
Current Allocation: \$10,250  
Requested Allocation \$15,000  
Recommended Allocation: \$15,000

Staff's recommendations included above were an to attempt to provide fair distribution to the five service providers based on the amount of the entitlement budget which totals \$102,633 14% of the overall entitlement amount. Staff would also like to recommend the additional increased balance to be allocated to the Neighborhood Pride Program to assist one or two additional homeowners with repairs.

**Family Promise of the South Bay**

The seventh proposal was from Family Promise of the South Bay.whom requested \$75,000. The provider is currently receiving \$60,000 in CDBG-CV funding (the supplemental CDBG funding to deal with the coronavirus emergencies), staff is recommending that this provider this provider continue to be funded through that source to provide services for homeless prevention for families. If directed by council, staff will bring back a substantial amendment to the 2019-2020 Annual Action Plan (under which the CDBG-CV funds were allocated) to allocated funds to Family Promise of the South Bay from the CDBG-CV funds. Staff will recommend an estimated amount of \$30,000 to continue with homeless prevention.

**V. FISCAL IMPACT**

The proposed action would allocate the PY 2024 CDBG projected entitlement grant. of \$717,241, as follows:

215-50-720-100-5002 (Administration)	\$143,448.00
215-50-720-964-6004 (Fair Housing Foundation	\$ 34,627.00
215-50-720-964-6062 (Neighborhood Pride Program)	\$471,160.00
215-50-720-964-6004 (Public Services)	\$ 68,006.00

No impact to the General Fund is anticipated from the CDBG allocation.

**VI. EXHIBITS**

1. 2024-2025 Annual Action Plan, Draft for Public Review (pgs. 6-58)
2. CDBG program Year 2024 Action Plan Budget with Public Service Detail. (pg. 59)

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