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Title: AMEND 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:

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Attachments: 1. Draft 2024-25 Annual Action Plan.pdf, 2. 24 25 Annual Action Plan Draft (revised).pdf

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

Tuesday, May 07, 2024
Special Orders of the Day

SUBJECT:

AMEND 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 entitlement allocations have not been posted as of this date. Prior 2023/24 Year allocation was \$709,233. The projected amount of this fiscal year’s allocation was estimated at \$684,225. Staff has prepared a draft AAP, subject to the required minimum 30 -day public review period and published the public hearing notice.

As of today's date May 7th, 2024 the U.S. Department of Housing and Urban Development (HUD) announced the new entitlement allocations. The new entitlement allocation for the City of Carson is \$717,241, therefore staff has amended the draft Annual Action Plan to reflect the final entitlement allocation.

II. RECOMMENDATION

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.

1.

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 proposed draft 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 April 4, 2024, and ending May 4,2024. The draft AAP included a budget that has been reduced to an estimated amount of \$684,225.00, which represents a percentage of 1.00% reduction. The anticipated 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 amended 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, six 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 which has been announced by (HUD) today May 7th, 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 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

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 232nd 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 223rd Street, Carson):
Current Allocation: \$10,250
Requested Allocation \$15,000

Recommended Allocation: \$15,000

Family Promise of the South Bay

The eighth proposal was from Family Promise of the South Bay. Which 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.

HUD has not yet released the 2024-2025 Annual Allocations. For this reason, HUD has advised the City to prepare this draft document utilizing the current year annual allocation and include language detailing the methodology by which the City will reallocate funds should the 2024-2025 annual allocation increase or decrease.

If the City's 2024-2025 annual allocation should change, a request of the City Council is being made to provide staff and the public with a methodology for which activity budgets would be adjusted. It is recommended that the City Council adopt the following language for adjusting activity budgets for the CDBG program should the City's 2024-2025 annual allocation change:

- Should the CDBG allocation be greater than \$684,225.
- The CDBG Administration budget will be increased to be compliant with the 20% cap for administrative activities.
- Funding levels for the public service activities will be increased to be compliant with the 15% cap for public service activities.
- Balance of funds will be added to the City's CDBG funded Neighborhood Pride Program activity.
- Should the CDBG allocation be less than \$684,225.
- The CDBG Administration budget will be reduced to be compliant with the 20% cap for administrative activities.
- Funding levels for the public service activities will be reduced to be compliant with the 15% cap for public service activities.
- Balance of funds will be deducted from the City's CDBG Neighborhood Pride Program activity.

Due to the announcement by (HUD) as of today's date May 7th, 2024, staff is recommending amending the entitlement budget to be allocated as shown in the amended Exhibit No.2. Staff would like to recommend the Public Service

allocations to remain the same as stated in the draft AAP and add the additional entitlement allocation to the Neighborhood Pride Program to possibly assist one additional homeowner with rehabilitation.

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. Amended CDBG program Year 2024 Action Plan Budget with Public Service Detail. (pg. 59)

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