



## Legislation Text

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### Report to Mayor and City Council

Tuesday, December 06, 2022

Special Orders of the Day

#### **SUBJECT:**

**PUBLIC HEARING TO CONSIDER SUBSTANTIAL AMENDMENTS TO THE 2022-2023 AND 2019-2020 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ACTION PLANS (CITY COUNCIL)**

#### **I. SUMMARY**

Staff requests to amend the City's 2022-2023 Annual Action Plan to reallocate accumulated prior years' Community Development Block Grant (CDBG) funds to increase the available funding for the Neighborhood Pride (residential rehabilitation) Program.

In addition, staff requests to amend the City's 2019-2020 Annual Action Plan to reallocate previously-budgeted Community Development Block Grant-Coronavirus (CDBG-CV) funds to a program to assist low- and moderate-income mobile home residents to prevent, prepare for, and respond to the effects of the coronavirus pandemic as it relates to their mobile home unit. The focus of the new program would be heating/ventilation/air conditioning systems, windows, doors, roofing, and mold abatement. In addition, the Substantial Amendment to the 2019-2020 Annual Action Plan allocates homelessness prevention services provided by Family Promise of the South Bay to assist individuals displaced by the pandemic as previously approved by the City Council.

#### **II. RECOMMENDATION**

**TAKE** the following actions:

1. **OPEN** the Public Hearing, **TAKE** public testimony, and **CLOSE** the Public Hearing;
2. **APPROVE** the submission of Substantial Amendments to the 2022-2023 and 2019-2020 Annual Action Plans to the U. S. Department of Housing and Urban Development;
3. **AUTHORIZE** the following reallocation of Community Development Block Grant (CDBG) funds within the 2022-2023 Annual Action Plan: \$863,174.38 accumulated unexpended prior years' funds to the Neighborhood Pride Program;

4. **AUTHORIZE** the following reallocation of Community Development Block Grant-Coronavirus (CDBG-CV) funds within the 2019-2020 Annual Action Plan: \$60,000 to an existing program of Homelessness Prevention Services, and \$173,765.69 to a new COVID-Related Residential Rehabilitation program for mobile homes;
5. **WAIVE** further reading and **ADOPT** Resolution No. 22-245, “A Resolution of the City Council of the City of Carson, California, Reallocating Accumulated Unexpended Prior Years’ Community Development Block Grant Funds to the Neighborhood Pride Program”;  
**AND**
6. **WAIVE** further reading and **ADOPT** Resolution No. 22-246, “A Resolution of the City Council of the City of Carson, California, Reallocating Community Development Block Grant-Coronavirus Funds from Local Business Assistance to Homelessness Prevention Services and COVID-Related Residential Rehabilitation”.

### **III. ALTERNATIVES**

**TAKE** other actions the City Council deems appropriate. **IV. BACKGROUND**

U. S. Department of Housing and Urban Development (HUD) regulations, as well as the City’s Citizen Participation Plan, require that public hearings be held by the City Council regarding proposed Substantial Amendments prior to their submission to HUD.

#### **Community Development Block Grant (CDBG)**

Each year, the City receives from HUD an entitlement amount of CDBG funding based on the City’s overall population, its proportion of low- and moderate-income residents, and other demographic factors. However, if not all those funds are expended in the program year in which they were allocated, the result is the accumulation of unexpended funds in the City’s letter of credit balance with HUD.

During the Pandemic, approximately \$863,174.38 of CDBG funds were underspent and are available for reallocation for eligible expenditures. Staff is recommending this amount to be reallocated to the Neighborhood Pride Program (NPP). This would be added to the \$233,183 already allocated to the NPP in the 2022-2023 Annual Action Plan, bringing the total NPP allocation to \$1,096,357.38. Approximately half of this amount has already been expended on completed projects or projects that are currently being processed. The other half of this amount will be used for 25 additional applicants who have already been prequalified but have not started the process. In addition, staff has an interest list of over 50 constituents who would like to participate in the program once registration opens again. There is a significant interest in the NPP program by Carson residents.

#### **Community Development Block Grant-Coronavirus (CDBG-CV)**

The 2019-2020 Annual Action Plan is being amended because the CDBG-CV funding was

initially obtained by means of a Substantial Amendment to that Action Plan.

The City was awarded a total of \$1,152,051 in CDBG-CV funds from the U.S. Department of Housing and Urban Development (HUD) under the CARES Act. That funding was budgeted for the following purposes as approved by the City Council:

- Business Assistance Program: A program to assist small Carson businesses that have suffered native impacts from the pandemic. Eligible expenses include such items as rent, working capital, and utilities, as well as physical improvements to the interior of the businesses to enable them to comply with post-pandemic health and safety regulations.
- Emergency Rental Assistance: Emergency rental assistance to low- and moderate-income Carson residents facing imminent threat of eviction as a result of loss of income related to the pandemic,
- Delivery of Meals and Household Items to Seniors: A program to provide delivery of meals and essential household supplies to senior citizens who are homebound because of the potential effects of the coronavirus on their vulnerable medical conditions.
- Homelessness Prevention Services: Services to assist Carson residents who are experiencing homelessness or are at risk of homelessness (move-in assistance, shelter expenses, case management, financial literacy instruction). This service had been previously provided by Family Promise of the South Bay.
- Planning and Administration: Eligible program planning and administration costs.

When Council approved the 2022-2023 Annual Action Plan at its July 5, 2022 meeting, it was noted that Family Promise of the South Bay had applied for \$60,000 in CDBG funding to continue its homelessness prevention services, and staff's recommendation was approved by the City Council to fund this service through CDBG-CV funds. The proposed action would actually allocate \$60,000 to Family Promise of the South Bay consistent with City Council direction.

At present, the City has an unexpended balance of \$233,765.69 (excluding the administration budget) in CDBG-CV funds. This unexpended balance is remaining funds for the covid related Business Assistance program. With the \$60,000 allocated to Family Promise of the South Bay, the remaining \$173,765.69 is recommended to be allocated to establish a new program for residential rehabilitation for low- and moderate-income residents to prevent and inhibit the spread of coronavirus.

The focus of the new program (COVID-Related Residential Rehabilitation) would be heating/ventilation/air conditioning systems, windows, doors, roofing, and mold abatement. It should be noted that the primary clientele for this new program is anticipated to be mobile home park residents.

## **V. FISCAL IMPACT**

There is no impact to the City's General Fund.

If recommendations no.3 is approved by the City Council, \$863,174.38 will be allocated to the Community Development Block Grant Fund. If recommendation no. 4 is approved by the City Council. \$173,765 will be allocated to the Community Development Block Grant-Coronavirus Fund.

## **VI. EXHIBITS**

1. The Proposed CDBG Substantial Amendment to the 2022-2023 Annual Action Plan, Draft for Public Review, November 3, 2022 (pgs. 5-8)
2. The Proposed CDBG-CV Substantial Amendment to the 2019-2020 Annual Action Plan, Draft for Public Review, November 3, 2022 (pgs. 9-12)
3. The Proposed CDBG-CV Substantial Amendment to the 2019-2020 Annual Action Plan, Draft for Public Review, November 3, 2022 (Revised Draft, November 29, 2022) (pgs. 13-15)
4. Resolution No. 22-245, A Resolution of the City Council of the City of Carson, California, Reallocating Accumulated Unexpended Prior Years' Community Development Block Grant Funds to the Neighborhood Pride Program. (pgs. 16-17)
5. Resolution No. 22-246, A Resolution of the City Council of the City of Carson, California, Reallocating Community Development Block Grant-Coronavirus Funds from Local Business Assistance to Homelessness Prevention Services and COVID-Related Residential Rehabilitation. (pgs. 18-19)

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