



Legislation Details (With Text)

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Title: PUBLIC HEARING TO CONSIDER THE PROPOSED ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2018-2019, AND ADOPTION OF THE 2019-2020 ANNUAL ACTION PLAN (CITY COUNCIL)
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Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, May 21, 2019

Special Orders of the Day

SUBJECT:

PUBLIC HEARING TO CONSIDER THE PROPOSED ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2018-2019, AND ADOPTION OF THE 2019-2020 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. This timing has been based on a requirement to 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 prior to that submission, subject the AAP to a period of public review and comment of not less than 30 days. For the third consecutive year, delays in the federal appropriations process left local governments with a degree of uncertainty regarding the availability of CDBG funding and when they would learn of their CDBG allocations. However, unlike the previous two years, HUD was able to provide this information to the local governments with minimal disruption to the normal AAP submission timeframe. Therefore, staff is requesting that the public hearing and consideration of the 2019-2020 AAP proceed in order to enable the AAP to be submitted in a timely fashion.

II. RECOMMENDATION

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing;
 2. ALLOCATE CDBG public service funding for FY 2019-20 (PY 2019) 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 2019-20 (PY 2019) CDBG budget; and
 5. APPROVE the submission of the City's 2019-2020 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 aforementioned demographic criteria.)

The City is required to hold a minimum of two public hearings prior to the submission of the AAP to HUD. The Citywide Advisory Commission (CAC) held one public hearing on the AAP, on February 21, 2019, and another on March 21, 2019 at which it received testimony from applicants on their proposals. In the past, the City Council has traditionally considered the AAP in a public hearing during a regular Council meeting which constitutes this hearing to be second public hearing.

On February 13, 2019, HUD issued CPD (Community Planning and Development) Notice 19-01, "Guidance on Submitting Consolidated Plans and Annual Action Plans for Fiscal Year (FY) 2019". As with similar notices issued in previous years, this CPD notice advised local government grantees not to submit their FY 2019 Action Plan or Consolidated Plan until those grantees had been advised of their actual allocation amounts. Once so advised, the grantees would have 60 days from that date to submit their Action Plan or Consolidated Plan.

Based on advisories City staff had received from HUD's Los Angeles Field Office to expect a reduction in CDBG entitlement funding, staff prepared a draft AAP based on a 5% reduction from the PY 2018 entitlement amount of \$815,109 (a projected amount of \$774,354). That draft AAP (Exhibit No. 1) was made available for public review and

comment for a minimum of 30 days, beginning March 28, 2019 and ending April 29, 2019. Thus, the AAP, once adopted, will meet the application requirements for the CDBG program.

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 Five-Year Consolidated Plan (covering the 2015/16 through 2019/20 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.

A draft budget for PY 2019 accompanied the release of the draft AAP. That draft budget allocated the anticipated available funds according to HUD-mandated proportions:

- 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 draft budget was considered by the CAC at its meeting of April 11, 2019, at which meeting that Commission adopted a recommendation on programs to be funded and respective amounts for them. The CAC recommendation differs from the draft budget in several respects, summarized as follows:

Capital Improvements

While the draft budget included \$200,000 for the Public Works Department's Concrete Replacement Program (a program of sidewalk improvements in a designated area primarily aimed at making that area compliant with the Americans with Disabilities Act), the CAC declined to recommend funding for this proposed project. (Further review and analysis by staff, in consultation with staff at HUD's Los Angeles Field Office, indicated that the proposed project fell short of a number of key criteria for eligibility.) As an alternative, the CAC voted to increase the proposed allocations for the Neighborhood Pride Program (residential rehabilitation) and the Commercial Rehabilitation Program by \$100,000 each.

Public Services

The maximum amount available for public service programs under the draft budget actually exceeded the total amount requested by the applicants by a total of \$776. In making its recommended allocations, the CAC recommended that that \$776 be added to the requested allocation for the fair housing services program (enabling the City to fulfill its mandate to affirmatively further fair housing) administered by the Housing Rights Center. It should be pointed out that while CDBG regulations limit public services to no more than 15% of CDBG funds, there is no requirement to allocate 15% of CDBG funds to public services, and indeed, there is no requirement that public services be funded at all.)

Confirmed Allocation and Staff Recommendation

HUD posted the 2019-2020 CDBG allocations for grantee local governments nationwide on its website as of April 12, 2019. (Consequently, based on CPD Notice 19-01, the 2019-2020 Annual Action Plan is due to HUD no later than June 11, 2019.) Rather than staff's projected entitlement allocation of \$774,354, which would have represented a reduction of \$41,255 from the 2018-2019 allocation of \$815,609, Carson will be receiving an allocation of \$818,689, an increase of \$3,080 above the 2018-2019 level.

Given the confirmed allocation, staff prepared a revised draft budget based on the confirmed allocation, which also includes an alternative recommendation. That revised draft budget differs from the CAC recommendation in that a) in Public Services, the allocation for the Housing Rights Center is capped at \$45,400 (the amount that agency requested), and b) the resulting additional funding, including the increment resulting from the higher-than-projected entitlement allocation, is allocated to the Neighborhood Pride (residential rehabilitation) program.

The four Public Service programs recommended for funding (in addition to the fair housing program) are:

Boys and Girls Clubs of Carson (After-school and summer youth programming)	\$25,000
Carson Coordinating Council/Carson Child Guidance Program \$15,000 (School-based mental health counseling and outreach)	
Harbor Area Gang Alternatives Program (prevention curriculum in elementary schools)	\$15,000
South Bay Family Healthcare (Community health clinic)	\$15,000

As is the case with the Housing Rights Center-administered fair housing program, each of the above-listed programs is being recommended for funding at the level requested by the respective agencies. A side-by-side comparison of the original draft budget, the revised draft budget based on the CAC recommendation, and staff's revised draft budget is presented as Exhibit No. 2. Exhibit No. 3 is the Request for Proposals (RFP) for CDBG-funded programs, which was issued on February 12, 2019 by the City's Purchasing Division, with a response deadline of March 11, 2019. Exhibit No. 4 (Proposed Project Summary Table) is a capsule summary of the programs for which funding was applied.

V. FISCAL IMPACT

The proposed action would allocate the PY 2019 CDBG entitlement grant of \$818,689.00, plus estimated prior year funds available for reprogramming and program income eligible for reuse totaling \$178,944.00 for a total of \$997,633.00. Impact to the General Fund is not anticipated.

VI. EXHIBITS

1. Draft 2019-2020 Annual Action Plan (pgs. 5-54)
2. CDBG Program Year 2019 Action Plan-Comparison of Original Draft Budget with Recommendations by Citywide Advisory Commission and Staff (pg. 55)
3. Request for Proposals, Community Development Block Grant Program Year 2019 (pg.

- 56)
4. 2019-2020 CDBG Proposed Project Summary Table (pgs. 57-59)

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