



CITY OF CARSON

Legislation Text

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Report to Mayor and City Council

Tuesday, May 02, 2017
Special Orders of the Day

SUBJECT:

PUBLIC HEARING TO CONSIDER THE PROPOSED ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2017-18, AND DRAFT 2017-18 ANNUAL ACTION PLAN (CITY COUNCIL)

I. SUMMARY

During the April 4, 2017, Council meeting the City Council continued this matter to May 2, 2017.

Each year at this time, 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 is 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. However, because of delays in the federal government's appropriations process, HUD has been unable to inform grantee local governments what their CDBG funding allocations for the 2017 CDBG program year (which coincides with the City's 2017-18 fiscal year) will be. HUD has issued guidance to grantee local governments advising them not to submit AAPs for program year (PY) 2017 until after the PY 2017 allocations have been announced. Therefore, staff is requesting that the public hearing, and consideration of the 2017-18 AAP, be continued until at least May 2, 2017, or until such time as the PY 2017 CDBG allocation is known.

II. RECOMMENDATION

CONTINUE the public hearing until the City Council meeting of June 20, 2017.

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.)

Typically, the CDBG application cycle requires the AAP to be submitted to HUD not less than 45 days prior to the July 1 start of the CDBG program year (generally May 15 each year), and for the AAP to be subjected to a public review and comment period of not less than 30 days prior to it being submitted. In years past, in keeping with this timeframe, City Council has considered the AAP no later than April, and HUD has been able to notify City staff what its CDBG allocation would be in time for such consideration. However, Congress has not completed the appropriations process for HUD’s FY 2017 appropriation. Thus HUD has advised that it cannot predict when its FY 2017 appropriations bill will be enacted and when it will be able to announce FY 2017 allocation amounts.

In light of these developments, HUD has notified grantee local governments that they may delay submission of their AAPs to HUD until 60 days after the date allocations are announced or until August 16, 2017 (whichever comes first). This will give a grantee time to incorporate actual allocation amounts into its AAP and to conduct, if necessary, any additional citizen participation. Thus, using the example dates HUD used in its notice, if HUD were to announce the PY 2017 allocations on April 28, 2017, the City’s deadline for submitting the AAP would be June 26, 2017. The dates can be adjusted according to when HUD actually issues the allocation notifications, so as to allow for the 30-day public review and comment period and the 60-day submission deadline timeframe.

This hearing is continued to June 20, 2017. If the City does not receive notification of its allocation in time for that meeting, the public hearing will be re-noticed per the guidance from HUD described above.

V. FISCAL IMPACT

No immediate fiscal impact from this delay. There remains a potentially significant reduction in CDBG funding.

VI. EXHIBITS

None.

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