Report to Mayor and City Council

Tuesday, November 17, 2020

Special Orders of the Day

SUBJECT:

PUBLIC HEARING TO CONSIDER A FURTHER SUBSTANTIAL AMENDMENT TO THE 2015-2020 FIVE-YEAR CONSOLIDATED PLAN AND 2019-2020 ANNUAL ACTION PLAN TO RECEIVE AN ADDITIONAL ALLOCATION OF SUPPLEMENTAL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS UNDER THE CARES ACT, AND ADOPT RESOLUTION NO. 20-174 (CITY COUNCIL)

I. SUMMARY

The City of Carson proposes to further amend the 2015-2020 Five-Year Consolidated Plan and 2019-2020 Annual Action Plan to allocate a second award of Community Development Block Grant (CDBG) funds pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted by the United States Congress on March 25, 2020 and signed by the President on March 27, 2020. The City initially received $472,890 in a supplemental appropriation of CDBG funds, referred to as CDBG-CV, under the CARES Act. The U.S. Department of Housing and Urban Development (HUD) has subsequently notified the City that it will receive $679,161 in a second appropriation of CDBG-CV funds.

HUD regulations, as well as the City's Citizen Participation Plan, require that a public hearing be held by the City Council regarding the proposed Substantial Amendment prior to its submission to HUD.

II. RECOMMENDATION

TAKE the following actions:

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing.

2. APPROVE the submission of a second Substantial Amendment to the 2015-2020 Five-Year Consolidated Plan and 2019-2020 Annual Action Plan to the U. S. Department of Housing and Urban Development.

3. AUTHORIZE the following allocation of $679,161.00 in supplemental Community

Development Block Grant (CDBG-CV) FY 20-21 funds:

A. $171,113.00 to the existing program to assist small Carson businesses that have suffered negative impacts from the COVID-19 pandemic;
B. $171,113.00 to the existing program of 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 COVID-19 pandemic, as well as to senior residents similarly in peril of eviction;
C. $171,113.00 to a program to provide delivery of food and essential household supplies to senior citizens who are homebound because of the potential effects of the coronavirus on their vulnerable medical conditions;
D. $30,000.00 to Family Promise of the South Bay to assist Carson residents who are experiencing homelessness or are at risk of homelessness as a result of the COVID-19 pandemic.
E. $135,822.00 to cover eligible costs associated with the planning and administration of the aforementioned programs.

4. ADOPT Resolution No. 20-174, “A Resolution of the City Council of the City of Carson, California, Amending FY 20-21 CDBG funds by $679,161.00 in a Second Allocation of Community Development Block Grant-Coronavirus (CDBG-CV) Funds”.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The CARES Act authorized some $2.2 trillion in a first wave of stimulus measures to counter the nationwide effects of the COVID-19 pandemic. Included in that legislation was $2 billion for CDBG entitlement communities to enable them to prevent, prepare for, and respond to the effects of the pandemic. In the first allocation of this supplemental CDBG funding, Carson received $472,890.00. Additional allocations were announced last month, and Carson was informed that it will receive $679,161.00

HUD recognized that the onset of the COVID-19 pandemic placed operational disruptions on local governments at a time most of them were in the midst of developing their 2020-2021 Annual Action Plans, a process further complicated by passage of the CARES Act. Thus, HUD provided for expedited review of CDBG-CV funding allocations if they were submitted as Substantial Amendments to the existing 2019-2020 Annual Action Plans. Under the City of Carson’s CDBG Citizen Participation Plan, a revision resulting in an increase or decrease of an activity allocation in excess of $300,000 requires the preparation and submission of a Substantial Amendment to an Annual Action Plan, and a new activity or activities not previously identified in a Five-Year Consolidated Plan requires a Substantial Amendment to that Consolidated Plan. Therefore, staff has prepared a Substantial Amendment to both the existing Annual Action Plan and Five-Year

Consolidated Plan for City Council's consideration.

The expedited review that HUD has provided for the consideration of CDBG-CV Substantial Amendments includes a waiver of the normal requirement that proposed Substantial Amendments be subjected to a public review and comment period of not less than 30 days. Under this waiver, the required public review and comment period has been reduced to five days. Accordingly, this proposed Substantial Amendment has been made available for public review and comment from November 10, 2020 through November 16, 2020.

The proposed allocation of the $679,161.00 in CDBG-CV funding is as follows:

Business Assistance Program: The City proposes to allocate $171,113 from this second CDBG-CV appropriation to a program to assist small Carson businesses who have suffered negative impacts from the COVID-19 pandemic. Eligible expenses would 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. This allocation would, in addition to $113,493 from the earlier CDBG-CV appropriation and $193,236 in CDBG funding included in the 2020-2021 Annual Action Plan approved by HUD, bring total funding for this program to $477,842.

Emergency Rental Assistance: The City proposes to allocate $171,113 from this second CDBG-CV appropriation to a program of 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, as well as to senior residents similarly in peril of eviction suffering from loss of income related to the pandemic (under HUD regulations, seniors are presumed to be of low and moderate income). This program was initially established with $264,819 from the earlier CDBG-CV appropriation. The total allocation for the rental assistance grant program would be $435,932. When this program was established, assistance was limited to a maximum of $1,000 per month for a maximum of three months (a maximum of $3,000 per household). Staff has proposed and City Council has approved removing the limit on the number of months for which assistance is provided and increased the maximum amount of assistance to $10,000 per household.

Delivery of Meals and Household Items to Seniors: The City proposes to allocate $171,113 from this second CDBG-CV appropriation for 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.

Essentials To Go 2.0. The existing grocery delivery program is intended to support Carson residents including seniors, those with disabilities, those with underlying health conditions, and families during the COVID-19 pandemic, so they can be successful in their "Safer at Home" efforts. Residents call in to place an order for preconfigured grocery packages which are substantially discounted thanks to donations and a partnership with Norm's Restaurant. Orders are fulfilled the following business day and are delivered by city employees (see attached flyer). This program is ideal for those who are experiencing financial hardship during the current economic downturn brought on by the pandemic. However, the program does not cover the full cost of the groceries and requires a minimum

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payment from the ordering resident. As a result, the city is likely missing opportunity to serve the most at-risk residents that may not be able to afford the discounted packages.

The 2.0 program proposal would utilize CDBG funding to fully cover the cost of all groceries and staff time to operate the program for income qualifying and senior applicants. In short, a resident would need to complete a self-certification form each year to verify income and residency and then would be eligible to receive weekly pre-packaged groceries at their home; or they can pick up from Human Services. Per CDBG guidelines, seniors would be eligible for the free essentials as well. Community Services staff would be responsible for application screening, delivery and pick-up appointments, and food supplier contracts. The original "discounted" Essentials program covers non-senior residents that exceed the federal income requirement. It would run in parallel with the "free" 2.0 program being proposed.

Homelessness Prevention Services: The City proposes to allocate $30,000 from this second CDBG-CV allocation to services to assist Carson residents who are experiencing homelessness or are at risk of homelessness as a result of the COVID-19 pandemic. Staff has obtained a proposal from Family Promise of the South Bay, the local affiliate of a non-profit with over 200 affiliates nationwide, to provide services that would include:

- Move-in Assistance (application fees, security deposits, first month's rent)
- Shelter Expenses (food and transportation expenses, including bus and transit passes)
- Short-term hotel/motel expenses for gap shelter
- Case management expenses for diversion, prevention, navigation, placement, and retention
- Educational materials for instruction on financial literacy

The above-described services are based on a program that Family Promise of the South Bay is currently providing to the City of Hawthorne with CDBG-CV funding. All services will be provided to the Carson community. A Subrecipient Agreement, similar to the agreement that exists with the current CDBG public service providers, will be executed with Family Promise spelling out these and other program criteria as well as the scope of services.

Planning and Administration: Per CDBG regulations, a maximum of 20% of allocated funds may be used for program planning and administration purposes. That 20% maximum from this second CDBG-CV appropriation totals $135,822. (Added to the $84,578 share from the earlier CDBG-CV appropriation, this brings the total CDBG-CV allocation for planning and administration purposes to $230,400.)

V. FISCAL IMPACT

There is no fiscal impact to the City's General Fund. If Recommendation #3 is approved, $679,161 would be amended CDBG's FY 20-21 budget as follows:

215-70-720-6504 (Planning and Administration)	$165,822.00
215-70-720-6525 (Local Business Assistance)	$171,113.00

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215-70-720-6562 (Emergency Rental Assistance)	$171,113.00
215-70-720-6565 (Senior Services)	$171,113.00

VI. EXHIBITS

1. A Second Proposed CDBG Substantial Amendment to the 2015-2020 Five-Year Consolidated Plan and 2019-2020 Annual Action Plan (Draft for Public Review, November 9, 2020). (pgs. 6-11)

2. Resolution No. 20-174, "A Resolution of the City Council of the City of Carson, California, Amending the 2019-2020 Annual Action Plan Budget to Appropriate $679,161.00 in a Second Allocation of Community Development Block Grant-Coronavirus (CDBG-CV) Funds". (pgs. 12-13)

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