



City of Huntington Beach

File #: 20-1533

MEETING DATE: 4/6/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Ursula Luna-Reynosa, Director of Community Development

Subject:

Receive and File the Draft Fiscal Year (FY) 2020/2021-2024/2025 Housing and Urban Development (HUD) Consolidated Plan; Draft 2020/2021 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership Programs; Draft FY 2020/21-2024/2025 Citizen Participation Plan; and Draft FY 2020/21-2024/2025 Regional Analysis of Impediments to Fair Housing

Statement of Issue:

The U.S. Department of Housing and Urban Development (HUD) requires that the City conduct a 30-day Public Comment Period for the Fiscal Year (FY) 2020/21-2024/25 Consolidated Plan, the 2020/21 Annual Action Plan, the FY 2020/21-2024/25 Citizen Participation Plan, and 2020/21-2024/25 Regional Analysis of Impediments to Fair Housing. This 30-day period commences on April 3, 2020, and concludes with the public hearing scheduled and noticed for May 4, 2020.

The draft documents are posted on the City's website and hard copies will be made available to the public on an appointment basis. While not legally required, it is a best practice to provide the draft documents to the legislative body at a public meeting during the 30-day review period.

Financial Impact:

There is no fiscal impact to the General Fund to receive and file these draft documents.

Recommended Action:

Staff recommends that the City Council receive and file the following draft documents in compliance with the Consolidated Plan Procedures of 24 CFR Part 91:

1. Draft Fiscal Year 2020/21 to Fiscal Year 2024/25 Consolidated Plan
2. Draft Fiscal Year 2020/21 Annual Action Plan
3. Draft Fiscal Year 2020/21 to Fiscal Year 2024/25 Citizen Participation Plan
4. Draft Fiscal Year 2020/21 to Fiscal Year 2024/25 Regional Analysis of Impediments to Fair Housing

Alternative Action(s):

Do not receive and file the draft documents.

Analysis:

A study session was held before the City Council on March 2, 2020, regarding the upcoming actions related to the above-referenced draft documents and associated timelines. HUD requires that the draft documents are made available to the public by posting the documents on the City's website and placing them at public counters for a minimum 30-day public comment period. It is a best practice to provide the draft documents to the legislative body at a public meeting during the 30-day review period.

The City Council will be asked to ultimately adopt the final format of all four Plans on May 4, 2020.

Please note that the attached documents are drafts and subject to some modifications, particularly in light of the COVID-19 pandemic, as additional federal funds will be distributed to local entities via HUD. Details of this additional funding have not been received; however, our local HUD representative has encouraged us to submit our documents and amend them at a future date.

CONSOLIDATED PLAN

As an entitlement community, the City of Huntington Beach is required to submit a Consolidated Plan to HUD. The Consolidated Plan provides the strategic framework for the City's housing and community development goals over the next five-year period, and sets the vision for allocating federal resources to housing, homelessness, community development and special needs. The City's five-year Consolidated Plan period begins on July 1, 2020, and will run through June 30, 2025.

The Consolidated Plan identifies goals and objectives for the use of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) programs to support programs and services for low and moderate-income residents in Huntington Beach from 2020/2021 through 2024/2025. The City's Consolidated Plan has been developed with HUD-provided data regarding the City's low and moderate-income residents, as well as community input gathered through three public meetings and community surveys conducted with citizens and service providers.

After consultation with various public service providers and Huntington Beach departments, as well as reviewing the results of a Housing and Community Development Survey posted on the City's website, the Consolidated Plan strategy was developed. The Plan includes general priorities to meet the needs of the community and the City's rationale for investment of federal funds. In order to address the needs, the City identified the following priorities as having the greatest need in the community:

- Sustain and strengthen neighborhoods
- Preserve existing and create new affordable housing
- Support efforts to address homelessness
- Support agencies that assist special needs populations
- Increase access to community services to low and moderate-income persons
- Preserve existing and create new public facilities

- Provide needed infrastructure improvements
- Planning for housing and community development

National Emergency Concerning COVID-19 Outbreak

Due to the National Emergency concerning the novel coronavirus (COVID-19) outbreak, a relief stimulus package is expected to include an increase in CDBG funding to help augment a local response to the virus. General language has been added to the Consolidated Plan to allow for such expenditures.

Additional details are contained in the Draft Fiscal Year 2020/21 to Fiscal Year 2024/25 Consolidated Plan which is attached to this staff report as Attachment No. 1.

ANNUAL ACTION PLAN

Each year, the City prepares an Annual Action Plan in connection with the Five-Year Consolidated Plan which details how the City will spend HUD federal funds, specifically CDBG and HOME. The Annual Action Plan has two principal purposes:

- The Annual Action Plan identifies the projects and programs to be undertaken during the upcoming fiscal year, and the proposed objectives and outcomes to be achieved within the overall context of the Five-Year Consolidated Plan; and
- The Annual Action Plan acts as the City's application process for federal formula grants, principally comprised of the CDBG and HOME programs.

CDBG Funding

Authorized by Title I of the Housing and Community Development Act of 1974, the CDBG program serves to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low and moderate income. The CDBG program provides annual grants on a formula basis to implement a wide variety of community development and housing activities set forth under 24 CFR Part 570. The overriding purpose of the CDBG program is to support "bricks and mortar" activities, such as acquisition, rehabilitation and preservation, and public improvements and facilities.

CDBG-funded projects must meet one of the three national objectives: 1) to benefit low and moderate-income persons; 2) aid in elimination of slums or blight; and 3) meet an urgent need (primarily limited to disaster relief from flooding or earthquakes, for example). Funded activities can include public improvements, public services, special code enforcement in certain designated areas, economic development activities, and housing rehabilitation programs, among others.

For Fiscal Year 2020/21, the City of Huntington Beach will have an estimated total of \$1,696,814 in CDBG funds. This total amount is comprised of \$1,237,224 in FY 2020/21 CDBG entitlement funds, \$259,590 in prior year unallocated funds carried forward, and \$200,000 in estimated program income.

HOME Funding

The HOME Program is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. HOME funds are provided as formula grants to be used for home purchase, repairing rental or ownership properties, site acquisition, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses. Up to ten (10) percent is used for program planning and administration and 15 percent of the allocation must fund housing with a non-profit Community Housing Development Organizations (CHDOs).

The City of Huntington Beach will have \$1,923,816 in HOME Program funds comprised of this coming year's allocation of \$619,677, estimated program income of \$75,000, and an estimated carryover balance of \$1,229,139.

Additional details regarding proposed CDBG and HOME activities are contained in the Draft Fiscal Year 2020/21 Annual Action Plan which is attached to this staff report as Attachment No. 2.

CITIZEN PARTICIPATION PLAN

As part of the Consolidated Plan, the City is required to certify that it is in full compliance and is following a detailed Citizen Participation Plan consistent with the requirements of 24 CFR 91.105. The Citizen Participation Plan sets forth policies and procedures the City Council adopted to encourage citizen involvement regarding the use of federal funds, notably CDBG and HOME funds.

The intent of the Citizen Participation Plan is to encourage those least likely to participate in the process, especially low-income persons living in distressed neighborhoods, in public and assisted housing developments, and in areas where CDBG funds are proposed to be used. This document outlines basic tenets of the citizen participation regulations.

Additional details are contained in the Draft Fiscal Year 2020/21 to Fiscal Year 2024/25 Citizen Participation Plan which is attached to this staff report as Attachment No. 3.

REGIONAL ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

Since 1968, the Fair Housing Act has required that federal agencies and federal grantees affirmatively further fair housing. Accordingly, jurisdictions that receive funds from federal sources, such as CDBG funds from HUD, are required to, every five years, prepare an Analysis of Impediments to Fair Housing Choice (AI) and an action plan to address those impediments that are within their ability to control or influence.

In Orange County, cities have taken a collaborative approach to identifying and addressing impediments by agreeing to review these issues on a regional basis. In 2015, the City of Newport Beach served as the lead entity, and in 2020, the City of Anaheim serves as the lead agency.

For the proposed AI, the Lawyers' Committee for Civil Rights Under Law has performed extensive

outreach into the community, reviewed and analyzed local data and reports and worked with the cities to ensure the appropriate breadth and scope of work. In the draft report, forty-five factors were determined to contribute to fair housing issues. Factors include access to financial services, admissions and occupancy policies and procedures, including preferences in public supported housing, availability of affordable units in a range of sizes, and community opposition. Based on the extensive data review, community input and current federal, state and local laws, the report has proposed five regional recommendations along with city-specific recommendations. The final report is expected in mid-April.

Additional details regarding the regional and city-specific recommendations are contained in the Draft Fiscal Year 2020/21 to Fiscal Year 2024/25 Regional Analysis of Impediments to Fair Housing, which is attached to this staff report as Attachment No. 4.

The Draft 2020/21-2024/25 Consolidated Plan, the Draft 2020/21 Annual Plan, the Draft 2020/21-2024-25 Citizen Participation Plan, and the Draft 2020/21-2024/25 Regional Analysis of Impediments to Fair Housing are available for public review and comment commencing April 3, 2020, through May 4, 2020.

The City published a notice in the Huntington Beach Wave on April 2, 2020 informing the public of the availability of the documents for review and comment, which notice is attached as Attachment No. 5. The public has access to review the draft documents at the City of Huntington Beach's Office of Business Development via appointment and via the City's website. The City Council will be asked to consider adopting the draft documents at a public hearing scheduled for May 4, 2020.

Environmental Status:

The recommended action to receive and file the draft documents will not result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and is therefore not a "project" per Section 15378 of the California Environmental Quality Act (CEQA) Guidelines. If the City Council approves the FY 2020/21 Annual Action Plan on May 4, 2020, staff will prepare an Environmental Review Record for each activity pursuant to 24 CFR Part 58.

Strategic Plan Goal:

Non-Applicable - Administrative Item

Attachment(s):

1. Draft FY 2020/21-2024/25 Consolidated Plan
2. Draft FY 2020/21 Annual Action Plan
3. Draft FY 2020/21-2024/25 Citizen Participation Plan
4. Draft FY 2020/21-2024/25 Regional Analysis of Impediments to Fair Housing
5. Public Notice