



City of Huntington Beach

File #: 19-418

MEETING DATE: 4/15/2019

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Fred A. Wilson, City Manager

PREPARED BY: Kellee Fritzal, Deputy Director of Economic Development

Subject:

Approve the 2019-20 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs

Statement of Issue:

The U.S. Department of Housing and Urban Development (HUD) requires that the City conduct a Public Hearing and approve the City's Annual Action Plan in order to receive entitlement grants from the Community Development Block Grant (CDBG) Program and HOME Investment Partnership (HOME) Program. The approved 2019-20 Annual Action Plan must then be submitted to HUD no later than May 14, 2019.

Financial Impact:

The City is projected to receive \$1,155,698 in CDBG funds and \$606,864 in HOME funds for the 2019-20 Fiscal Year.

Recommended Action:

A) Approve the 2019-20 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Program Funds; and,

B) Direct the Economic Development Committee (EDC) to make final determination if the 2019-20 CDBG and HOME programs HUD grant allocation should increase or decrease from the anticipated grant allocation; and,

C) Authorize the City Manager to sign any and all applications and necessary documents for Federal assistance under the CDBG and HOME programs after review by the City Attorney.

Alternative Action(s):

Provide direction to staff to revise the 2019-20 Annual Action Plan.

Analysis:

The City anticipates eligibility to receive CDBG and HOME allocations to fund programs and projects

that meet the Federal eligibility requirements. The Annual Action Plan (AAP) must be approved by the City each year. It describes the activities and projects that would be funded with CDBG/HOME program funds for the following year.

The City anticipates approximately \$1,155,698 in CDBG funds and \$606,864 for the HOME program as its 2019-20 grant allocation to Huntington Beach. The grant allocation amounts may increase or decrease from 0% to 20% depending on Congressional final approval of the 2019-20 Fiscal Year. If the City receives an allocation more or less than the anticipated allocation of \$1,155,698 in CDBG funds and \$606,864 for HOME funds, staff recommends that the Economic Development Committee (EDC) make the final determination regarding the increase or decrease of funds to the service providers.

The 2019-20 AAP is the fifth year of implementing its Five-Year Consolidated Plan, as required by HUD, for receipt of CDBG and HOME entitlement grants. CDBG-funded projects must meet one of the three (3) national objectives with 70% of funds under the national objective of serving low and moderate-income populations, and must meet activity eligibility requirements. The three national objectives are:

- 1) Benefit low and moderate-income persons;
- 2) Aid in elimination of slums or blight;
- 3) Meet an urgent need (primarily limited to disaster relief from flooding or national emergencies, for example).

Funded activities can include public improvements, public services, special code enforcement in designated eligible areas, economic development activities, or housing rehabilitation programs, among others. If current or previous year projects are completed under budget in any given year, funding may be applied to existing or future eligible public improvement projects. Funding for program administration is limited to 20% of the City's annual CDBG allocation. The administration costs cover the many complex Federal recordkeeping, monitoring, reporting, and public participation requirements. Administration funds are also used to provide \$30,000 to the Fair Housing Foundation to meet HUD's requirement to provide fair housing counseling, education and enforcement, and outreach services. The City also utilizes a portion of its administrative funds for staff and for public noticing and the use of an as-needed consultant to assist with the Federal software and sub-grantee monitoring.

The Citizens Participation Advisory Board (CPAB) held three (3) public hearings on community needs, reviewed project proposals, heard applicant presentations, and prepared recommendations for 2019-2020 CDBG funding, as listed below. The recommendations were presented at a Study Session with City Council on April 15, 2019. The below matrix are the recommendations from the CPAB committee.

The HOME entitlement may only fund the creation and/or preservation of very low-and low-income housing. The City has been working with nonprofit organizations to successfully provide limited-term tenant based rental assistance utilizing HOME funds. The City is also working with affordable housing developers to determine suitable projects for HOME funding. Limited funding (10%) is also available in the HOME allocation to administer this program. Action related to approval of a project with HOME funds will be brought to EDC for review and the City Council for approval at a later date.

CPAB COMMUNITY DEVELOPMENT BLOCK GRANT 2019-20 RECOMMENDATIONS

		CPAB Recommendation
CDBG Administration		\$201,139
Fair Housing Foundation		\$30,000
	TOTAL ADMIN:	\$231,139
	TOTAL SECTION 108:	\$220,536
Housing Rehab Loan Administration		\$65,000
Special Code Enforcement		\$190,000
	TOTAL HOUSING:	\$255,000
City of HB - Community Services Dept./ Oak View Community Center, Children's Bureau		\$40,000
City of HB - Community Services Dept./ Senior Care Management		\$40,000
City of HB - HBPD and OBD - Homeless Outreach		\$73,355
City of HB - Library Services/Oak View Family Literacy Program		\$10,000
StandUp for Kids OC - Street Outreach		\$10,000
	TOTAL PUBLIC SERVICES:	\$173,355
City of HB - Public Works Dept./ ADA Curb Ramps (Zone 9)		\$250,000
	TOTAL PUBLIC IMP:	\$275,668
	2019-2020 CDBG PROJECTS:	\$1,155,698

Prior to the City Council approving the AAP, a 30-day public comment period and public hearing was required. The Huntington Beach Wave published the notice on March 14, 2019, and the OC Register on March 28, 2019. The public comment period concludes on April 15, 2019. No written comments were received prior to the preparation of this Request for City Council Action. Any written comments prior to the close of the comment period, as well as any comments made during the public hearing, may be considered by the City Council and will be attached to the AAP and submitted to HUD.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Enhance and maintain high quality City services

Attachment(s):

1. 2019-20 Annual Action Plan
2. PowerPoint Presentation of Recommendations