



# City of Huntington Beach

**File #:** 20-1707

**MEETING DATE:** 6/15/2020

## 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:**

**Public Hearing to consider approval of Amendment No. 2 (SUBSTANTIAL) to Fiscal Year 2019-20 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs, and Amendment to the 2015-2019 Citizen Participation Plan**

**Statement of Issue:**

The City desires to 1) amend the 2019-20 Annual Action Plan for CDBG and HOME Programs, to among other things more particularly described later in this staff report, program newly-allocated funds due to the COVID-19 pandemic; and 2) amend the 2015-2019 Citizen Participation Plan to take advantage of temporary relief in regulations due to the COVID-19 pandemic.

**Financial Impact:**

There is no fiscal impact to the General Fund. The City received \$1,147,593 in CDBG funds and \$563,796 in HOME funds for the 2019-2020 Fiscal Year. In addition, \$727,819 in Coronavirus Aid, Relief, and Economic Security Act (CARES) funds will also be allocated.

**Recommended Action:**

A) Approve Amendment No. 2 (SUBSTANTIAL) to the City of Huntington Beach Fiscal Year 2019-20 Annual Action Plan for the Community Development Block Grant and HOME Investment Partnership Programs; and,

B) Approve an Amendment to the 2015-2019 Citizen Participation Plan; and,

C) Authorize the City Manager to sign all necessary U.S. Department of Housing and Urban Development documents and take all other administrative and budgetary actions necessary to utilize the Coronavirus Aid, Relief, and Economic Security Act funds.

**Alternative Action(s):**

Do not approve the Amendments, and direct staff accordingly.

**Analysis:****ANNUAL ACTION PLAN**

The City receives an annual allocation of federal funds from the U.S. Department of Housing and Urban Development (HUD) to implement Community Development Block Grant (CDBG) and HOME Investment Partnership Programs (HOME). Annually, an Action Plan is adopted by the City Council setting forth the programs and projects that will be funded. The Action Plan must be amended either due to new programming or to substantially (anything over 25% of the annual allocation) increase funding to an approved CDBG or HOME program. Amendment No. 1 (MINOR) to the 2019-20 Annual Action plan was done administratively on November 25, 2019, to increase the ADA Curb Cuts budget from \$270,399 to \$557,297.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act was signed into law, which included \$2 billion to be allocated under the CDBG program to aid grantees in the preparation, prevention, and response to the Novel Coronavirus (COVID-19) pandemic. Huntington Beach was notified that its share of the CARES Act funding (CDBG-CV) would be \$727,819. The proposed Substantial Amendment to the 2019-20 Annual Action Plan includes the following revisions/actions that will be taken to bolster the City's ability to prepare, prevent, and respond to the COVID-19 pandemic:

- Cancellation of the 2018 Huntington Beach Navigation Center Project (Emergency Homeless Shelter) at 15311 Pipeline Lane. The property at 15311 Pipeline Lane was purchased partially with federal CDBG funds in the amount of \$989,000, but will be cancelled due to public opposition and litigation regarding use of this site for an emergency homeless shelter. The \$989,000 will be returned to the CDBG unallocated fund for reprogramming to other eligible uses/projects.
- Cancellation of the 2019 Section 108 Loan Repayment activity, originally funded with \$220,536 in CDBG funds. The Section 108 Loan was paid in full in FY 2018/19, therefore funds will be returned to the CDBG unallocated fund and reprogrammed at a later date to other eligible uses.
- The addition of a new public service called the Cameron Lane Navigation Center Operations Program. The City is proposing to allocate \$772,181 in CDBG program income and \$727,819 in CARES Act (CDBG-CV) funding, for a total of \$1.5 million, to cover costs associated with the operations of an emergency homeless facility located at 17631 Cameron Lane, Huntington Beach. Costs such as staffing, utilities, maintenance, and wrap around homeless services are necessary to help the City prevent, prepare for, and respond to the continued threat of the Coronavirus to the City's vulnerable homeless population.
- An increase of CDBG funding by \$25,000 to the City's Children's Bureau public service. The program, which normally offers after-school care to students of low-to-moderate income families, has had to extend its hours to full-day care, hire additional staff for smaller staff/children ratios, and has incurred additional equipment and supply costs due to COVID-19.
- An increase of CDBG funding by \$15,000 to the City's Senior Services Care Management

program to help cover additional staff costs due to the increase in demand for senior meals brought on by the COVID-19 pandemic.

- Close out of the City of Huntington Beach Revolving Loan Fund Program. In 2004, the City of Huntington Beach established a CDBG revolving loan fund for the purpose of carrying out specific housing rehabilitation activities which, in turn, has generated payments to the fund for use in carrying out the same activities. Revolving loan funds collected from rehabilitation loans are considered program income. The City will continue to use collected program income revenues on housing rehabilitation activities, but will have added flexibility in using the program income on other CDBG-eligible uses as well.
- Cancellation of the 15161 Jackson Street Navigation Center Project that was previously awarded \$667,808 in HOME funds. The proposed affordable housing project, located in Midway City, was a collaborative effort with the County of Orange and the City of Westminster to develop transitional housing with wrap around services to the City's homeless population. The project was cancelled by the developer, American Family Housing. Funds will remain in the City's HOME unallocated fund until another affordable housing project can be negotiated.
- An increase in the HOME Administration budget in the amount of \$234,569 for a total HOME allocation of \$290,949.
- Including an Addendum to the Operating Guidelines of the Tenant Based Rental Assistance Program (TBRA) to adopt the HUD suspensions and waivers. By incorporating HUD's new guidelines, this HOME-funded project will allow the City to help households pay rent to avoid eviction and prevent homelessness.

### ***CITIZEN PARTICIPATION PLAN***

The regulations implementing the Consolidated Plan submission require the City of Huntington Beach to adopt a Citizen Participation Plan for the consolidated planning, application, and reporting processes. Part of the Consolidated Plan process entails the grantee 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 City's Citizen Participation Plan is designed to ensure equitable representation of all segments of the population and to aid communication between the City and its residents on matters pertaining to the use of all federal funding from HUD.

Due to the National Emergency Concerning the Novel Coronavirus (COVID-19) declared in March 2020, HUD has made available temporary guidelines for citizen participation relative to the public comment period, reasonable notice, and opportunity to comment for substantial amendments. HUD recognizes the efforts to contain COVID-19 require limiting public gatherings, such as those often used to obtain citizen participation, and that there is a need to respond quickly to the growing spread and effects of COVID-19. Therefore, on April 24, 2020, HUD waived these requirements and allowed the City to shorten its public comment period to 5-days, and to determine what constitutes reasonable notice and opportunity to comment. The Amended Citizen Participation Plan for 2015-2019 outlines steps the City will take during the national emergency to support communication and encourage involvement between the City and its residents on matters pertaining to the use of all

federal funding from HUD, particularly those funds that will be used to prevent, prepare, and respond to the Novel Coronavirus (COVID-19) pandemic. These temporary guidelines will apply to Community Development Block Grant funding under FY 2019/20, FY 2020/21, and the CARES Act funds, as well as HOME funds under FY 2019/20 and FY 2020/21, unless otherwise extended due to a longer period of national emergency. The Amended Citizen Participation Plan may be administratively amended further from time to time to include additional or revised procedures issued by the U.S. Department of Housing and Urban Development in response to the COVID-19 pandemic.

Staff recommends approval of amendments to the Annual Action Plan and the Citizen Participation Plan.

**Environmental Status:**

The proposed substantial amendment to the CDBG and HOME Programs Annual Action Plan and amendment to the Citizen Participation Plan and the activities described therein, are exempt from CEQA pursuant to Section 15061(b)(3), which exempts projects where it can be seen with certainty that the activity in question has no possibility of causing a substantial adverse impact on the environment. In addition, pursuant to California Government Code Section 65660(b), the funding and operation of the Cameron Lane low barrier navigation center, which meets the requirements of Government Code Section 65662, is not subject to CEQA. Furthermore, since approval of the use is considered ministerial, the project is statutorily exempt from CEQA in accordance with Section 15268 of the CEQA Guidelines.

**Strategic Plan Goal:**

Non-Applicable - Administrative Item

**Attachment(s):**

1. 2019-20 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs-Amendment No. 2 (SUBSTANTIAL)
2. 2015-2019 Citizen Participation Plan-Amendment
3. Tenant Based Rental Assistance (TBRA) Guidelines Addendum