



# City of Huntington Beach

**File #:** 20-1728

**MEETING DATE:** 7/6/2020

## 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:**

**Approve FY 2020/2021-2024/2025 Housing and Urban Development (HUD) Consolidated Plan, FY 2020/2021 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs, FY 2020/2021-2024/2025 Citizen Participation Plan, and FY 2020/2021-2024/2025 Regional Analysis of Impediments to Fair Housing**

**Statement of Issue:**

The U.S. Department of Housing and Urban Development (HUD) requires that the City, per the citizen participation requirement, conduct a Public Hearing to approve the 2020/2021-2024/2025 Housing and Urban Development (HUD) Consolidated Plan, 2020/2021 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs, 2020/2021-2024/2025 Citizen Participation Plan, and 2020/2025-2024/2025 Regional Analysis of Impediments to Fair Housing. Also per HUD, the City is required to conduct a 30-day public comment period, which commenced on June 5, 2020, and concludes with the public hearing scheduled and noticed for July 6, 2020. The draft documents were posted on the City's website and hard copies were made available to the public on an appointment basis.

**Financial Impact:**

There is no fiscal impact to the General Fund. The City was awarded to receive \$1,237,224 in CDBG funds and \$619,677 in HOME funds for the 2020-21 Fiscal Year. Additional funds from program income and prior-year resources total \$2,020,717 in CDBG and \$3,454,800 in HOME funds.

**Recommended Action:**

Staff recommends that the City Council approve and authorize the following in compliance with the Consolidated Plan Procedures of 24 CFR Part 91:

- A) Approve the 2020/2021-2024/2025 Housing and Urban Development (HUD) Consolidated Plan; and,
- B) Approve the 2021/2021 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs; and,
- C) Approve the 2020/2021-2024/2025 Citizen Participation Plan; and,

- D) Approve the 2020/2021-2024/2025 Regional Analysis of Impediments to Fair Housing; and,
- E) Authorize the City Manager to sign all necessary documents.

**Alternative Action(s):**

Do not approve the plans, and direct staff as necessary.

**Analysis:**

A study session was held before the City Council on March 2, 2020, regarding the actions related to the above-referenced draft documents and associated timelines. These four draft documents were presented to the City Council on April 6, 2020. Per HUD's 30-day public comment requirement, these documents were made available to the public by posting them on the City's website and placing them at the Office of Business Development's public counter to review by appointment.

**CONSOLIDATED PLAN**

The Consolidated Plan functions as a strategic plan prepared through a comprehensive planning process that incorporates local needs, priorities, specific objectives and strategies. Along with the Five-Year Consolidated Plan, the U.S. Department of Housing and Urban Development (HUD) requires an Annual Action Plan outlining the City's uses of the federal grant funds for one year. HUD allocates federal grants including Community Development Block Grant (CDBG) and HOME Investment Partnerships Act (HOME) funds to eligible jurisdictions on a formula basis. For the 5-year Consolidated Plan period, Huntington Beach's estimated budget is \$7.8 million in CDBG funds and \$6.2 million in unallocated HOME funds, a total of approximately \$14 million. The City's Consolidated Plan has 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

A variety of public outreach and citizen participation strategies were used to develop the Consolidated Plan. The 2019 Housing and Community Development survey was used to help establish priorities throughout the City by gathering feedback on the level of need for housing and community development categories. A public meeting was held prior to the release of the draft plan to garner feedback on preliminary findings.

**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: 1) 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 2) The Annual Action Plan acts as the City's application process for federal formula grants, principally comprised of as the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs. For FY 2020/21 specifically, Huntington Beach's estimated budget is \$2,020,717 million in CDBG and \$3,454,800 million in estimated HOME funds (inclusive of program income and unallocated carryover). Funds are designed to assist the City in providing decent and affordable housing; provide community and supportive services; improve public facilities and infrastructure; and expand economic opportunities and anti-poverty activities for primarily low-and-moderate income persons. The City is proposing to allocate CDBG and HOME funds in the FY 2020/21 Annual Action Plan as follows:

	CPAB recommendation	2020/21 CDBG Allocation
<b>CDBG Projects</b>		
City of HB--CDBG Program Administration	\$231,139	\$257,445
Fair Housing Foundation--Fair Housing Program	\$30,000	\$30,000
City of HB--Housing Rehab Loan Administration	\$65,000	\$65,000
City of HB--Owner-Occupied Residential Rehab Grant Program	\$100,000	\$100,000
City of HB--Owner-Occupied Residential Rehab Loan Program	\$90,000	\$90,000
City of HB--Special Code Enforcement	\$190,000	\$240,000
City of HB--Homeless Outreach	\$85,000	\$85,000
City of HB--Senior Services Care Management	\$44,000	\$44,000
City of HB--Children's Bureau	\$60,637	\$80,000
City of HB--Oak View Family Literacy Program	\$10,000	\$10,000
Robyne's Nest-Housing for Homeless Youth	\$10,000	\$10,000
StandUp for Kids--OC	\$15,000	\$15,000
City of HB--ADA Curb Cuts--Maintenance Zone 3	\$400,000	\$393,732
City of HB--Central Library Lower Level ADA Restroom Improvements	\$286,000	\$286,000
Unallocated Funds for Back-Up Projects-- Cameron Lane Navigation Center Facility Improvements	N/A	\$314,540
<b>TOTAL =</b>	<b>\$1,616,776</b>	<b>\$2,020,717</b>
<b>HOME Projects</b>		
HOME Program Administration	\$69,468	\$154,919
Affordable Housing Projects	\$1,304,348	\$2,399,881
Tenant Based Rental Assistance	\$550,000	\$900,000
<b>TOTAL =</b>	<b>\$1,923,816</b>	<b>\$3,454,800</b>

## CITIZEN PARTICIPATION PLAN

The regulations implementing the Consolidated Plan submission requires 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, the U.S. Department of Housing and Urban Development (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 Coronavirus Aid, Relief, and Economic Security (CARES) Act funds, as well as Home Investment Partnership Act (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 Novel Coronavirus (COVID-19) pandemic.

Updates to the Citizen Participation Plan were done administratively.

## **REGIONAL ANALYSIS OF IMPEDIMENTS**

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 the Community Development Block Grant (CDBG) from the US Department of Housing and Urban Development (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.

For the current AI, the Lawyers' Committee for Civil Rights Under Law (consultant) 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 AI Report, 45 factors were determined to contribute to fair housing issues across Orange County. The AI also includes the following cross-jurisdictional goals:

1. Increase the supply of affordable housing in high opportunity areas (areas which offer a stronger infrastructure for education, transportation, environmental health and economic opportunity).
2. Prevent displacement of low- and moderate-income residents with protected characteristics, including Hispanic residents, Vietnamese residents, seniors and people with disabilities.
3. Increase community integration for persons with disabilities.
4. Ensure equal access to housing for persons with protected characteristics, who are disproportionately

likely to be lower-income and to experience homelessness.

5. Expand access to opportunity for protected classes.

Staff recommends approval of the Consolidated Plan, Annual Action Plan, Citizen Participation Plan, and Regional Analysis of Impediment.

**Environmental Status:**

The proposed requests 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. Furthermore, the proposed action does not constitute a final funding commitment to any of the identified activities, as the grant sub-recipients of the activities would be required to enter into contractual agreements. Appropriate environmental review of each funded activity will take place prior to commencement of any activity.

**Strategic Plan Goal:**

Strengthen long-term financial and economic sustainability

**Attachment(s):**

1. 2020/2021-2024/2025 Housing and Urban Development (HUD) Consolidated Plan
2. 2020/2021 Annual Action Plan for Community Development Block Grant (CDBF) and HOME Investment Partnership (HOME) Programs
3. 2020/2021-2024/2025 Citizen Participation Plan
4. 2020/2021-2024/2025 Regional Analysis of Impediments to Fair Housing