



City of Huntington Beach

File #: 20-1807

MEETING DATE: 8/3/2020

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. 3 (SUBSTANTIAL) to Fiscal Year 2019-20 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs

Statement of Issue:

A substantial amendment to the 2019-20 Annual Action Plan for the CDBG and HOME federal entitlement grant programs is proposed to help address costs associated with the City's COVID-19 response. The U.S. Department of Housing and Urban Development (HUD) requires the City to conduct a Public Hearing to approve this amendment.

Financial Impact:

There is no impact to the General Fund. The City received \$1,147,593 in CDBG funds and \$563,796 in HOME funds for the 2019-20 Fiscal Year. The City subsequently received an additional \$727,819 in Coronavirus Aid, Relief, and Economic Security (CARES) Act CDVG-CV funds.

Recommended Action:

A) Approve Amendment No. 3 (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) Authorize the City Manager to sign all necessary U.S. Department of Housing and Urban Development documents and take all other necessary administrative and budgetary actions.

Alternative Action(s):

Do not approve the Amendment, and direct staff accordingly.

Analysis:

The City receives an annual allocation of federal entitlement grant funds from the U.S. Department of Housing and Urban Development (HUD) to implement the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) programs. Annually, an Action Plan is adopted

by the City Council setting forth the programs and projects that will be funded. If the City elects to add new programming or to increase funding to an approved CDBG or HOME program by an amount greater than 25% of the City's total allocation, a public hearing is required to approve the amendment to the Action Plan.

Amendment No. 1 (MINOR) to the 2019-20 Annual Action plan was processed administratively on November 25, 2019, to increase the ADA Curb Cuts budget from \$270,399 to \$557,297. Amendment No. 2 (SUBSTANTIAL), was approved by Council on June 6, 2020, to receive and allocate \$727,819 in CARES Act funding (CDBG-CV) received from the federal government in response to COVID-19.

The proposed third Amendment to the 2019-20 Annual Action Plan includes the following revisions/actions:

- An increase in CDBG funding of \$1,500 to the City's Special Code Enforcement Program, for a total allocation of \$191,500.
- An increase of CDBG funding of \$8,150 to the City's Homeless Outreach Program, for a total allocation of \$81,505. The Homeless Outreach Program experienced an increased level of service calls connected to housing homeless persons during the National Emergency concerning the Novel Coronavirus. Additional funds are being allocated to pay for costs associated with preparing, preventing, and responding to COVID-19.
- An increase in the HOME Administration budget in the amount of \$100,000 for a total HOME allocation of \$390,949. Additional administrative funds are needed to offset costs associated with the administration of the City's Tenant Based Rental Assistance Programs that will be implemented as part of the City's strategy to prepare, prevent, and respond to COVID-19, additional strategic planning needed to utilize CARES Act funding, and other affordable housing related costs.

Staff recommends approval of amendment to the Annual Action Plan.

Environmental Status:

The proposed substantial amendment to the CDBG and HOME Programs Annual Action 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.

Strategic Plan Goal:

Strengthen long-term financial and economic sustainability

Attachment(s):

1. 2019-20 Annual Action Plan for Community Development Block Grant (CDBG) and HOME investment Partnership (HOME) Programs - Amendment No. 3 (SUBSTANTIAL)