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Item No. 5

MAY 5 2021

City of South Gate

CITY COUNCIL

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

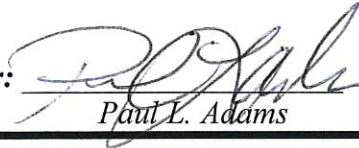
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AGENDA BILL

For the Regular Meeting of May 11, 2021

Originating Department: Community Development

Interim Director:


Paul L. Adams

Interim City Manager:


Chris Jeffers

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS ROUND 3 (CDBG-CV3) SUBRECIPIENT AGREEMENTS AND RESOLUTION APPROVING SUBSTANTIAL AMENDMENT NO. 5 TO THE FISCAL YEAR 2019-2020 ANNUAL ACTION PLAN IN ACCORDANCE WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) REGULATIONS

PURPOSE: To approve Agreements with Community Development Block Grant Coronavirus Round 3 (CDBG-CV3) subrecipients under the FY 2019/20 Annual Action Plan and to consider amending the Fiscal Year (FY) 2019-2020 Annual Action Plan by reallocating \$195,354 in Community Development Block Grant Coronavirus (CDBG-CV3) funds to provide additional COVID-19 related programs. This item was continued from the March 23, 2021, City Council meeting.

RECOMMENDED ACTIONS: Following the Public Hearing, the City Council will consider:

- A. Moving forward with the previously approved programs and allocations from the January 26, 2021 City Council meeting, which includes \$75,000 in CDBG- CV 3 funds towards the Small Business Job Retention and Creation Program with the Tweedy Mile Association, and \$120,354 in CDBG-CV3 funds towards a Rental and Utility Assistance Program with Helpline Youth Counseling, Inc.; **OR**
- B. Retaining the \$75,000 for the Small Business Job Retention and Creation Program and \$120,354 for the Rental and Utility Assistance Program as previously approved and designate City staff/Consultant to operate the programs; **OR**
- C. Reprogramming the \$195,354 in CDBG-CV 3 funds to other programs to provide additional COVID-19 related programs and services by adopting a proposed Resolution approving Substantial Amendment No. 5 to the Fiscal Year 2019/20 Annual Action Plan; and
- D. Authorizing the City Manager to enter into agreements in a form acceptable to the City Attorney with eligible subrecipients as noted in the Substantial Amendment No. 5 to the Fiscal Year 2019/20 Annual Action Plan.

FISCAL IMPACT: There is no fiscal impact to the General Fund. The City received funding in the amount of \$863,385 from the CDBG-CV3. These funds were allocated for these designated uses through an amendment of the FY 2019/20 Annual Action Plan for CDBG at the January 26,

2021 Regular City Council meeting. Funding is from the U.S. Department of Housing and Urban Development (HUD).

NOTICING REQUIREMENTS: Advertising and notification of the Public Hearing was conducted in compliance with the Municipal Code Section 11.50.020 (Public Hearing Notification) and was published in the South Gate Press newspaper on April 29, 2021. The CARES Act adds additional flexibility to reduce the required public comment period from 30 days to not less than five (5) days. The noticing conducted by the City complies with these requirements.

ALIGNMENT WITH COUNCIL GOALS: These subrecipient agreements support the City Council’s goals of creating and protecting strong and sustainable neighborhoods by supporting organizations that provide needed services and programs that benefit low-and moderate-income residents of South Gate.

ANALYSIS: The City Council conducted a public hearing on January 26, 2021 and adopted Resolution No. 2021-03-CC amending the City’s FY 2019/20 Annual Action Plan for CDBG. The City Council appropriated \$863,385 in Community Development Block Grant- Coronavirus Round 3 (CDBG-CV3) funds to address major areas of need brought on by the Coronavirus pandemic in the Community. The CDBG-CV3 subrecipient Agreements reflect the approved allocations with the City Council’s recommended subrecipients for the use of funds under the FY 2019/20 Annual Action Plan and the CDBG-CV3 Program. The following services will be provided to eligible low- and moderate- income residents under these proposed CDBG-CV3 Allocation:

CDBG-CV3 Funds		
CDBG-CARES (CV3) Allocation		\$863,385.00
Administrative Budget		\$172,677.00
Proposed Programs		
Program	Organization	Amount
Food Insecurity Program	City Program	\$200,354.00
Youth Employment Training Program	Conservation Corp of Long Beach	\$75,000.00
Youth Employment Training Program	California Latino Leadership Institute	\$25,000.00
Mental Health and Counseling Services	Compatior, Inc.	\$120,000.00
Rental and Utility Payment Assistance Program	Helpline Youth Counseling, Inc.	\$120,354.00
Small Business Grant Program	Chamber of Commerce and City Program	\$75,000.00
Small Business Grant Program	Tweedy Mile Association and City Program	\$75,000.00
	Total	\$690,708.00
	Balance	\$0

The City Council reviewed the CDBG-CV 3 subrecipient Agreements on the March 23, 2021 City Council meeting and approved all the Agreements except the Small Business Grant Program Agreement with the Tweedy Mile Association, for \$75,000 and the Rental and Utility Assistance Program Agreement with Helpline Youth Counseling, Inc. for \$120,354. Below is a summary of the two programs that were proposed:

❖ **Small Business Job Retention and Creation Grant Program:**

- The City Council approved \$75,000 in CDBG-CV3 funds towards a Small Business Job Retention and Creation Grant Program with the Tweedy Mile Association (TMA). This would allow at least twenty-five (25) one-time grants averaging \$3,000 to assist South Gate small businesses retain or bring back employees and continue to provide quality services to the community as we move into recovery. Similarly to the South Gate Chamber of Commerce program, this program will be considered a joint program between the Tweedy Mile Association and City of South Gate. The Tweedy Mile Association will serve as an intake hub for collecting all of the backup documentation required for this grant and the City will issue the direct payments to the South Gate Small Businesses. This program would not begin until June 2021 to allow the South Gate Chamber of Commerce's similar grant program to conclude.

❖ **Rental and Utility Payment Assistance Program:**

- The City Council approved \$120,354 in CDBG-CV3 funds to continue funding this program through Helpline Youth Counseling. Helpline would be able to assist a minimum of 40 households with the assistance at an average amount of \$3,000 per household. These funds would be used to pay for rent in arrears, current rent and utility bills for a maximum of 6 months.

Subrecipient Agreements as well as amendments to existing agreements as appropriate are attached. Each agreement includes the application provided by the subrecipients indicating their interest and outlining the services that they are interested providing. Project Details of all the programs and a specific agreed upon scope of work is also included in each Subrecipient Agreement.

Staff recommends for the City Council to approve the \$120,354 currently allocated to the Rental and Utility Payment Assistance Program with Helpline Youth Counseling or to consider programming these funds to the City to operate the program with assistance from consultants.

Staff also recommends for the City Council to consider reprogramming the \$75,000 currently allocated towards the Small Business Grant program with the Tweedy Mile Association towards one of the options outlined below:

- Reprogram the \$75,000 towards the South Gate Chamber of Commerce and City of South Gate Joint Small Business Job Retention and Creation Grant Program. This program is already in place and would help expedite the award process. Currently the South Gate Chamber of Commerce serves as an intake hub and City staff reviews the required documents and issues payment to the Small Business Owners. The Small business grant

program with the Chamber of Commerce has been awarded a total of \$532,000 in regular CDBG and CDBG-CV funds; **OR**

- Reprogram the \$75,000 towards the City of South Gate, Small Business Job Retention and Creation Grant Program as operated by City staff and consultants. Last year the City Council allocated \$200,000 in re-programmed regular FY 2019/20 CDBG funds towards this program and the City was able to issue 20 small business grants in the amount of \$10,000 per grant. This would allow City staff to work directly with the Small Business owners and help expedite the review/ award process.

BACKGROUND: The City of South Gate has been a recipient of CDBG funds annually since the enactment of the Housing and Community Development Act of 1974, due to its status as an "entitlement" jurisdiction (having a population above 50,000, and meeting certain other demographic criteria). CDBG funding can be used for a variety of projects and programs primarily benefiting persons of low- and moderate-income.

The CARES Act made available \$5 billion in CDBG-CV funds. Of this amount, \$3 billion shall be allocated based on needs using best available data, in the following steps: \$1 billion shall be allocated to States and insular areas within 45 days of enactment of the Cares Act, and \$2 billion shall be distributed to states and local governments at the discretion of the Secretary. These special CDBG-CV funds are to be used to prevent, prepare for, and respond to COVID-19. The funds will also support additional activities to mitigate the impacts of COVID-19. The South Gate City Council has already programmed several programs using both regular CDBG and CDBG-CV funds in the past several months in response to the COVID-19 pandemic.

An amendment to the City's FY 2019/20 Annual Action Plan was presented to the City Council at the November 24, 2020 City Council meeting for allocation of the third round of CDBG-CV3 funds. At that time, staff requested to continue the Public Hearing to the City Council meeting of January 26, 2021 and to take this item to the Citizen's Advisory Committee (CAC) for their review and recommendation. This procedure allowed for additional citizen input, which is required by HUD, and is in compliance with the policies listed in our Citizen Participation Plan. This procedure would normally happen with regular CDBG funding allocations.

On December 9, 2020, the CAC met to discuss the additional round of CDBG-CV3 funds and their recommendation is listed below:

CDBG-CV-3 Funds	
CDBG-CARES (CV-3) Allocation	\$863,385.00
Administrative Budget	\$172,677.00
Proposed Programs	
Food Insecurity Program	\$150,354.00
Illegal Dumping/ Youth Employment Program	\$100,000.00
Rental Assistance and Utility Program	\$240,354.00
Small Business Job Retention and Creation Program	\$200,000.00
Total	\$863,385.00
Balance	\$0

The CDBG-CV3 funds are supplemental CDBG funding that the City is eligible to receive from HUD for activities that prevent, prepare for, and respond to the economic effects of the ongoing Coronavirus Disease 2019 (“COVID-19”) pandemic. The funds are meant to be used in a timely manner to assist residents in need, but per HUD Guidelines, must be expended by June 30, 2022. There is a 20% cap on administrative funding, and HUD has waived the 15% cap on public service programs, thus allowing the City to program more funds towards public service programs as opposed previous CDBG funding years.

At the Regular City Council meeting on January 26, 2021, the City Council received the recommendations from the CAC. Staff had notified all existing subrecipients of the CAC recommendations to allow interested parties that have previously been vetted to submit applications and proposals. The City Council approved the Substantial Amendment with a few changes and also provided direction to staff as to the preferred service providers to include as subrecipients. Below is a summary of the City Council’s recommendation:

CDBG-CV3 Funds		
CDBG-CARES (CV3) Allocation		\$863,385.00
Administrative Budget		\$172,677.00
Proposed Programs		
Program	Organization	Amount
Food Insecurity Program	City Program	\$200,354.00
Youth Employment Training Program	Conservation Corp of Long Beach	\$75,000.00
Youth Employment Training Program	California Latino Leadership Institute	\$25,000.00
Mental Health and Counseling Services	Compatior, Inc.	\$120,000.00
Rental and Utility Payment Assistance Program	Helpline Youth Counseling, Inc.	\$120,354.00
Small Business Grant Program	Chamber of Commerce and City Program	\$75,000.00
Small Business Grant Program	Tweedy Mile Association and City Program	\$75,000.00
	Total	\$690,708.00
	Balance	\$0

The City Council reviewed the CDBG-CV 3 sub recipient Agreements on the March 23, 2021 City Council meeting and approved all of the Agreements except the Rental and Utility Assistance Program Agreement with Helpline Youth Counseling, Inc. for \$120,354 and the Small Business Grant Program Agreement with the Tweedy Mile Association, for \$75,000. The item here tonight is to approve the previously allocated CDBG-CV3 funds from the January 26, 2021 City Council meeting, or to reprogram the CDBG-CV 3 funding to additional programs or organizations.

- ATTACHMENTS:** A. Proposed Resolution
 B. Public Hearing Notice

RESOLUTION NO. _____

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,
CALIFORNIA, APPROVING SUBSTANTIAL AMENDMENT NO. 5
TO THE CITY OF SOUTH GATE FISCAL YEAR 2019-2020
ANNUAL ACTION PLAN REALLOCATING CDBG-CV FUNDS IN ACCORDANCE
WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
REGULATIONS**

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) requires all jurisdictions that receive federal entitlement funds to prepare an Annual Action Plan that identifies the projects to be funded with Community Development Block Grant (“CDBG”) and HOME Investment Partnerships (“HOME”); and

WHEREAS, the City of South Gate (“City”) prepared and adopted a Five-Year Consolidated Plan for the City covering the period July 1, 2015 to June 30, 2020; and

WHEREAS, the purpose of the Consolidated Plan and the Annual Action Plan is to identify housing and community development needs and to develop specific goals and objectives to address those needs over a five-year period and is a requirement of the U.S. Department of Housing and Urban Development that the City must meet in order for the City to continue to receive federal housing and community development funds; and

WHEREAS, on May 28, 2019, the City Council approved the 2019-2020 Annual Action Plan for expenditure of the entitlement grants from HUD, including the CDBG program. The approved Annual Action Plan was subsequently submitted to HUD in May, 2019 and approved on September 5, 2019; and

WHEREAS, HUD enabled additional CDBG economic support known as the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), allowing grantees to reprogram existing or future CDBG funds as part of long-term social welfare and economic development recovery efforts; and

WHEREAS, the objectives of the supplemental CDBG funding is to enable activities that prevent, prepare for, and respond to the economic effects of the Coronavirus Disease 2019 (“COVID-19”) pandemic (“CDBG-CV”); and

WHEREAS, the City is receiving \$863,385 in CDBG-CV funds; and

WHEREAS, the City Council has determined that the 2019-2020 Annual Action Plan needs to be amended in accordance with HUD regulations through a Substantial Amendment, to indicate the increase allocated to a category of funding, and to reflect the changing needs of the community; and

WHEREAS, the CARES Act adds additional flexibility to reduce the required public comment period from 30 days to not less than five (5) days. Grantees may use virtual public hearings when necessary for public health reasons and the public services cap is suspended during the emergency; and

WHEREAS, City staff published a public hearing notice announcing the proposed amendments to the Fiscal Year (FY) 2019/20 CDBG allocations in the April 29, 2021 edition of the South Gate Press telegram newspaper; and

WHEREAS, the adopted budget and proposed changes to the FY 2019/20 Annual Action Plan for the CDBG Program proposes to reallocate \$195,354 in CDBG-CV funds to the FY 2019/20.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council does hereby declare that the above recitals are true and correct and are incorporated herein by reference.

SECTION 2. The City Council does hereby adopt Substantial Amendment No. 5 to the 2019/2020 Annual Action Plan as follows: Reallocating \$195,354 in CDBG-CV funds to the FY 2019/20.

SECTION 3. The City Manager and/or his designee is hereby authorized to make all conforming modifications and edits, and to execute all implementing documents required by HUD to receive and reallocate funding identified under the approved Substantial Amendment No. 5 to the 2019/2020 Annual Action Plan.

[Remainder of page left blank intentionally.]

SECTION 4. The City Manager and/or his designee is hereby directed to file a copy of said Substantial Amendment to HUD.

SECTION 5. The City Manager is hereby authorized to enter into agreements with eligible sub-recipients, in a form acceptable to the City Attorney.

SECTION 6. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED, and ADOPTED on this 11th day of **May 2021**.

CITY OF SOUTH GATE:

By: _____
Al Rios, Mayor

ATTEST:

By: _____
Carmen Avalos, City Clerk
(SEAL)

APPROVED AS TO FORM:

By: _____
Raul F. Salinas, City Attorney

DRAFT

**PUBLIC NOTICE
CITY OF SOUTH GATE
CITY COUNCIL**

NOTICE OF PUBLIC HEARING

Hearing Date: Tuesday, May 11, 2021
Time: 6:30 p.m. or as soon thereafter as the matter may be heard
Place: Members of the public wishing to observe the meeting may join through a Call-In Conference. For the updated Dial-In Number and Conference Code for the April 27th City Council meeting please visit the **City's website at www.cityofsouthgate.org/AgendaCenter**

Description: Consider a substantial amendment to the 2019-2020 Annual Action Plan. The 2019-2020 Annual Action Plan, which sets forth specific activities and expenditures using funds received through the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) programs administered by the United States Department of Housing and Urban Development (HUD), was adopted by the City Council on May 28, 2019. When a substantial change (i.e. adding an activity, canceling an activity or redirecting funds) is proposed to the City Action Plan, the City requires that the public be notified and a Public Hearing be held to allow the public an opportunity to comment on the proposed substantial changes.

Proposed Amendment to the FY 19 Action Plan: CDBG and CDBG-CARES (CDBG-CV) Program:

The City is proposing to program funds under the CARES (CDBG-CV) program. The City Council will conduct a public hearing to consider the modification in activity funding levels for programs. The following programs may be added, increased, reduced, or eliminated:

CDBG-CV-3 Funds Available	
CDBG-CARES (CV-3) Allocation	\$863,385.00
CDBG-CV3 Funds left to Program	\$195,354.00
Proposed Programs	
Rental Assistance and Utility Program	\$120,354.00
Small Business Grant Program	\$75,000.00
Total	\$195,354.00
Balance	\$0

Reasonable Noticing: The City will publish a legal notice in a newspaper of general circulation and on the City website at least ten (10) days prior to the public hearing.

Public Review Comment: A five-day public comment period will be provided commencing on April 20, 2021. Citizens can submit email comments in advance of the public hearing to the attention of the City Clerk.

Public Hearing: A telephonic public hearing will be considered adequate. Citizens can submit verbal comments to the City Council at the time of the telephonic public hearing.

Availability of Document for Public Comment: The City of South Gate encourages citizen participation in the planning process. A Public Hearing regarding this proposed Substantial Amendment to the 2019-20 One Year Action Plan will be held on May 11, 2021, 6:30 p.m. via the City's Call-in Conference.

Invitation to be heard: All interested persons are invited to the Public Hearing to be heard. In addition, written comments may be submitted to the City Council prior to the hearing. Comments may be submitted in writing by mailing comments to City of South Gate, Community Development Department, Attention Abel Torres, Housing and Grants Analyst, 8650 California Avenue, South Gate, CA 90280.

Those desiring a copy of the staff report or further information related to this project should contact:

Contact: Abel Torres, Housing and Grants Analyst
Phone: 323-563-9535
E-mail: atorres@sogate.org

Mailing Address: Community Development Department
City of South Gate
8650 California Avenue
South Gate, CA 90280-3075

Accessibility: It is the intention of the City of South Gate to comply with the Americans with Disabilities Act (ADA) in all respects. The City of South Gate will attempt to accommodate attendees in every reasonable manner. Please contact at least 72 hours prior to the above scheduled public hearing to establish need and to determine if additional accommodation is feasible.

ESPAÑOL

Información en Español acerca de esta junta puede ser obtenida llamando al 323-563-9535

Published: April 29, 2021