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Item No. 5

JUN 13 2021

City of South Gate

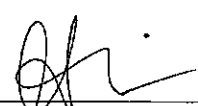
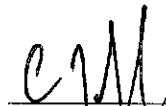
CITY COUNCIL

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

1:15pm

AGENDA BILL

For the Regular Meeting of: July 27, 2021
Originating Department: Community Development

Interim Department Director:  Interim City Manager: 
Grace I. Martin Chris Jeffers

SUBJECT: RESOLUTION AMENDING THE BUDGET TO THE FISCAL YEAR 2021/22 ANNUAL ACTION PLAN TO INCORPORATE ADDITIONAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING

PURPOSE: Inform City Council about the allocation change to the Fiscal Year (FY) 2021/22 Community Development Block Grant (CDBG) budget and ratify the amended budget to incorporate additional CDBG funding.

RECOMMENDED ACTIONS: The City Council will consider adopting a Resolution amending the budget to the Fiscal Year 2021/22 Annual Action Plan to incorporate additional Community Development Block Grant funding in the amount of \$21,419.

FISCAL IMPACT: There is no fiscal impact on the General Fund. The U.S. Department of Housing and Urban Development (HUD) is increasing the City's annual allocation by 1.5% (\$21,419). The additional CDBG funds will be allocated to programs that were previously approved by City Council as part of the FY 2021/22 Annual Action Plan.

ANALYSIS: None.

BACKGROUND: On May 13, 2021, HUD notified the City that there was an error in the previously announced FY 2021/22 CDBG formula allocation, causing all CDBG grants to be less than what should have been allocated by formula. HUD corrected the error, and the City was notified that it was receiving an additional \$21,419 in FY 2021/22 CDBG funding. This allocation changes the total CDBG funding for FY 2021/22 from \$1,453,467 to \$1,474,886.

Staff is proposing to add this additional funding across two (2) CDBG programs, which were previously approved at the May 11, 2021, City Council meeting as part of the FY 2021/22 Annual Action Plan. Due to the 15% Public Services Cap which limits additional funds from being added to public services activities, staff recommends adding these additional funds to Program Administration and South Gate Park Improvement – Boy Scout Huts.

Revised Proposed Amended FY 2021/22 CDBG Budget:

Revised Funding Allocation for FY 2021-2022			\$1,474,886
Program/Activity	Original Funding Amount	Proposed New Funding Amount	Increase
Administration (20%)	\$290,693	\$294,976	\$4,283
• Fair Housing (\$24,000)	\$24,000	\$24,000	\$0
• Program Administration (\$266,693)	\$266,693	\$270,976	\$4,283
Mental Health	\$10,000	\$10,000	\$0
Salvation Army	\$22,500	\$22,500	\$0
Southern CA Rehab	\$10,000	\$10,000	\$0
Police Explorer	\$7,000	\$7,000	\$0
Family Violence Prevention	\$10,500	\$10,500	\$0
Food Insecurity	\$18,020	\$18,020	\$0
S. G. Park Improvement – Roof Repair	\$455,000	\$455,000	\$0
S. G. Park Improvement – Boy Scout Huts	\$389,754	\$406,890	\$17,136
Graffiti Abatement	\$140,000	\$140,000	\$0
Program Delivery – HOME program	\$100,000	\$100,000	\$0
Totals	\$1,453,467	\$1,474,886	\$21,419

Under CDBG regulations, up to 20% of the annual allocation can be used for program administration costs and 15% of the annual allocation can be used to support public services.

Per the City’s adopted Citizen Participation Plan, the budget amendment noted in this agenda bill does not trigger a substantial amendment, but they do require City Council’s approval. If City Council approves this budget amendment, staff will update the FY 2021/22 Annual Action Plan to incorporate the additional CDBG funding.

ATTACHMENT: Proposed Resolution

**RESOLUTION NO.
CITY OF SOUTH GATE**

LOS ANGELES COUNTY, CALIFORNIA

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,
CALIFORNIA, AMENDING THE BUDGET TO THE FISCAL YEAR 2021/22
ANNUAL ACTION PLAN TO INCORPORATE ADDITIONAL COMMUNITY
DEVELOPMENT BLOCK GRANT FUNDING IN THE AMOUNT OF \$21,419**

WHEREAS, the City of South Gate (“City”) has applied and received Community Development Block Grant (“CDBG”) and HOME Investment Partnership (“HOME”) funds from the Government of the United States under Title I of the Housing and Community Development Act of 1974;

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) is the federal agency that promulgates regulations and oversees the administration of the CDBG program;

WHEREAS, the City was informed by HUD that there was an error in the formula calculation for its FY 2021/22 CDBG allocation, previously noted as \$1,453,467;

WHEREAS, the City’s correct CDBG allocation is \$1,474,886, a difference of \$21,419 and increase of 1.5%; and

WHEREAS, the City Council desires to add the additional funds to Administration and the South Gate Park Improvement – Boy Scout Huts activities.

[Remainder of page left blank intentionally.]

NOW, THEREFORE, THE CITY COUNCIL FOR 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 approve the amended Fiscal Year 2021/22 CDBG budget to increase the overall allocation to \$1,474,886, with the additional \$21,419 added to Administration (\$4,283) and the South Gate Park Improvement – Boy Scout Huts (\$17,136) activities.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED this 27^h day of July 2021.

CITY OF SOUTH GATE:

By: _____
Al Rios, Mayor

ATTESTED:

By: _____
Carmen Avalos, City Clerk
(SEAL)

APPROVED AS TO FORM:

By:  _____
Raul F. Salinas, City Attorney