



**To:** Mayor and City Council

**From:** City Manager

**Meeting Date:** May 12, 2020

**Subject:** SUBSTANTIAL AMENDMENT NO. 1 TO THE COMMUNITY DEVELOPMENT BLOCK GRANT FISCAL YEAR 2019-20 ANNUAL ACTION PLAN

**Recommendation:**

1. Approve a resolution for a substantial amendment for the fiscal year (FY) 2019-20 Annual Action Plan reprogramming FY 2019-20 CDBG funds in the amount of \$49,520 and authorizing an appropriation of \$366,586 in Coronavirus Aid, Relief and Economic Security (CARES) Act CDBG-CV funds; and
2. Authorize the City Manager or the Community and Economic Development Director to enter into agreements with eligible sub-recipients.

**Fiscal Impact:**

There is no impact to the General Fund as a result of this substantial amendment. Staff is requesting that the City Council authorize \$366,586 in CDBG-CV funds and re-allocate existing funding to the FY 2019-20 Annual Action Plan budget.

**Background:**

The City of Pico Rivera, as an entitlement City, receives Community Development Block Grant (CDBG) funds on an annual basis from the U.S. Department of Housing and Urban Development (HUD) to carry out a wide range of community development activities, which benefit low-income residents. As a condition of the receipt of federal grants by HUD, the regulations require the annual submittal of an Action Plan outlining proposed activities and projects.

Recently, HUD enabled additional CDBG economic support known as the Coronavirus Aid Relief and Economic Security (CARES) Act. The objectives of the CDBG program is to enable activities that may be in response to the economic effects of the Coronavirus Disease 2019 (COVID-19) pandemic, allowing grantees to reprogram existing or future CDBG funds as part of long-term social welfare and economic development recovery efforts.

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These special funds are to be used to prevent, prepare for, and respond to COVID-19. This first allocation was based on HUD's FY 2019-20 CDBG, ESG and HOPWA formula allocations. The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds. Of this amount, HUD is immediately allocating \$2 billion based on the FY 2019-20 CDBG formula. The remaining \$3 billion shall be allocated based on needs using best available data, in the following areas:

- \$1 billion shall be allocated to states and insular areas within 45 days of enactment of the CARES Act;
- \$2 billion shall be distributed to states and local governments;
- Up to \$10 billion will be set aside for technical assistance; and,
- Given the immediate needs faced by our communities, HUD has announced the first allocation of funds. The City of Pico Rivera is receiving \$366,586 in CDBG-CV funds.

#### Substantial Amendment

In order for these special funds to be used expeditiously, cities are required to amend their 2019 Consolidated Plan/Annual Action Plans. In accordance with the City's Citizen Participation Plan, when a substantial change (i.e., adding an activity, canceling an activity or redirecting funds) is proposed to an adopted city Annual Action Plan, HUD 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. The CARES Act adds additional flexibility. The public comment period is reduced 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 of 15% was suspended during the emergency. City staff published a public notice on April 28, 2020, announcing the proposed amendments to the FY 2019-20 Annual Action Plan in the Whittier Daily News.

As of the writing of this report, no comments have been received. Any comments received after the publication of this report will be delivered to the City Council and made available to the City Council and the public at the Public Hearing on May 12, 2020.

#### Adopted Budget and Proposed Amendments

The City Council will conduct a public hearing to consider the modification in activity funding levels for the CDBG program. Since the publication of the notice, additional considerations have been given to programs based on emerging community needs and HUD input. As stated in the notice, programs may be added, increased, reduced, or eliminated by the City Council.

#### Administration

These funds will be utilized for administration of program activities. One hundred eighteen thousand, one hundred and eighteen dollars (\$118,118) of FY 2019 CDBG and \$73,317 of CDBG-CV funds have been allocated.

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These funds will cover staff salaries and consultant costs that are administering the programs. HUD allows up to 20% of its CDBG and CDBG-CV funds to be allocated for administration.

Consolidated Plan

The previous allocation of funds for the preparation of the five-year Consolidated Plan will now be part of the 20% set aside for administration. A portion of these funds will be reallocated to the Senior Lunch Program.

Southern California Housing Rights Center is an existing sub-recipient that was awarded \$10,500 in FY 2019-20. At this time, staff is not recommending allocating additional funds to this sub-recipient.

Commercial Façade

The City is proposing to reprogram \$25,520 of FY 2019 CDBG funds and to allocate them towards the City's Senior Lunch Program to increase their capacity in assisting residents.

**Code Enforcement** is a program operated by the City. It was allocated \$100,000 in FY 2019-20. Currently, staff does not recommend allocating additional funds to this program.

**Pio Pico Park** received an allocation of \$586,237 in FY 2019-20. This project has been completed.

**ADA Park Improvements** received \$21,393 in FY 2019-20. Currently, staff does not recommend allocating additional funds to this program.

**Senior Center ADA and Safety Improvements** received \$302,913 in FY 2019-20. Currently, staff does not recommend allocating additional funds to this program.

**Women's & Children's Crisis Center** is an existing sub-recipient that was awarded \$9,000 in FY 2019-20. Currently, staff does not recommend allocating additional funds to this program.

**Handyworker Grant Program** is a program operated by Habitat for Humanity. It received an allocation of \$120,000 in FY 2019-20. Currently, staff does not recommend allocating additional funds to this program.

**Southeast Area Social Services Funding Authority (SASSFA)** is an existing sub-recipient that was awarded \$44,000 in FY 2019-20. SASSFA provides congregate meals at the Senior Center and home delivered meals. Congregate meals at the Senior Center facility has ceased due to COVID-19; however, SASSFA is now delivering those congregate meals and continue to make their regular delivery of meals. A total of 263 seniors are assisted per week. This number varies depending on need and SASSFA capacity. In addition to the meals, SASSFA provides home chore/personal care and

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respite services. Currently, staff does not recommend allocating additional funds to this program.

Senior Lunch Program

The City recommends allocating \$43,000 in FY 2019-20 CDBG funds to its Senior Lunch Program. Due to the COVID-19 pandemic, demand for senior meals increased. Unfortunately, SASSFA notified the City that it would not be able to provide additional meals. To supplement the need, the Parks and Recreation Department contracted with School Nutrition Plus, Inc. to provide meals that meet or exceed the adult meal requirements from the California Department of Aging. City staff will be utilized to deliver the meals to 200 seniors. A total of 5 meals will be provided to each senior weekly, with staff delivery one time per week.

AltaMed Evaluation and Testing Site

On March 25, 2020, AltaMed Medical Group began a testing and evaluation site at their existing location at 6336 Passons Boulevard. As of April 29, 2020, AltaMed has evaluated 1,699 people at the site. Those requesting to be evaluated must call to schedule an appointment. At the site, patients will be evaluated in their car and depending on the initial assessment, patients will be tested. According to AltaMed officials, approximately \$125,000 is spent per week for the Passons Boulevard location for staffing and other supplies. The City is recommending allocating \$50,000 in CARES Act CDBG-CV funding for the program. AltaMed has also reported receiving other funding for their other locations from the cities of Santa Ana, Commerce, West Covina, Vernon and South Gate.

Internet Hotspots

City staff is partnering with the El Rancho School District (ERUSD) to purchase 200 hotspot devices for low-income students to provide internet services at home. Staff is working through ERUSD to obtain the quotes as they are able to obtain better rates as a school district. Currently, staff is looking to provide 200 hotspot devices for one full year.

<b>PROJECTS/ACTIVITIES FUNDED BY CDBG</b>	<b>FY 2019-20 APPROVED BUDGET</b>	<b>PROPOSED CHANGE</b>	<b>PROPOSED FY 2019-20 AMENDMENT NO. 1</b>
FY 2019-20 CDBG Activities			
Administration	\$ 111,598	\$ 6,520	\$ 118,118
Consolidated Plan	\$ 24,000	\$ (24,000)	\$ -
Southern California Housing Rights Center	\$ 10,500	\$ -	\$ 10,500
Commercial Façade	\$ 155,000	\$ (25,520)	\$ 129,480
Code Enforcement	\$ 100,000	\$ -	\$ 100,000
Pio Pico Park	\$ 586,237	\$ -	\$ 586,237
ADA Park Improvements	\$ 21,393	\$ -	\$ 21,393

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Senior Center ADA and Safety Improvements	\$ 302,913	\$ -	\$ 302,913
Southeast Area Social Services Funding Authority (SASSFA)	\$ 44,000	\$ -	\$ 44,000
Women’s & Children’s Crisis Center	\$ 9,000	\$ -	\$ 9,000
Handyworker Grant Program	\$ 120,000	\$ -	\$ 120,000
Senior Lunch Program	\$ -	\$ 43,000	\$ 43,000
<b>Total Budget</b>	<b>\$ 1,484,641</b>		<b>\$ 1,484,641</b>

<b>PROJECTS/ACTIVITIES FUNDED BY CARES ACT CDBG-CV</b>	<b>PROPOSED CDBG-CV BUDGET</b>
CDBG–CARES (CV) Allocation	
Administration (20%)	\$ 73,317
AltaMed – COVID 19 Testing Center	\$ 50,000
ERUSD/Internet hotspots	\$ 60,000
Unallocated CDBG-CV	\$ 183,269
<b>Total Budget</b>	<b>\$ 366,586</b>

Upon approval of the allocation of funds, staff will work with HUD to execute the necessary agreements to program the funding.

**Conclusion:**

It is recommended that the City Council approve a resolution for a substantial amendment for the FY 2019-20 Annual Action Plan, authorize an appropriation in the amount of \$366,586 in CDBG-CV, authorize the use of funds for this budget amendment, direct staff to submit the amendment to the U.S. Department of Housing and Urban Development and authorize the City Manager to enter into agreements with eligible sub-recipients.

Steve Carmona

SC:MG:JG:aml:smc

- Enclosures:           1) Resolution  
                               2) Public Notice