



STAFF REPORT

TO: MAYOR AND COUNCIL MEMBERS **DATE:** MAY 26, 2020
FROM: COMMUNITY DEVELOPMENT **DISTRICTS:** CITYWIDE
SUBJECT: PUBLIC HEARING FOR SUBSTANTIAL AMENDMENT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) CITIZEN PARTICIPATION PLAN AND THE 2019-2020 CDBG ANNUAL ACTION PLAN.

RECOMMENDATION

That the City:

Open and Conduct the Public Hearing, accept evidence and testimony presented, close the hearing and in the absence of evidence and testimony to the contrary: 1) Approve the Substantial Amendment to the CDBG Citizen Participation Plan, and FY 2019-2020 CDBG Annual Action Plan to add additional funds and eligible activities pursuant to CDBG Coronavirus (CDBG-CV) funds for the purposes of Coronavirus prevention, preparation, and response; and 2) Authorize the Administrative Services Director to make the necessary budget adjustments to revenues and appropriations for the CARES Act in the amount of \$179,204.

EXECUTIVE SUMMARY

In response to combatting the effects of the Coronavirus Disease 19 (COVID-19), the U.S. Department of Housing and Urban Development (HUD) has allocated \$5 billion in additional Community Development Block Grant (CDBG) funds to entitlement communities in order to prevent, prepare and respond to COVID-19. The City of Glendora will receive \$179,204 in CDBG-CV for FY 2019-2020 to be used for preventing, preparing, and responding to the COVID-19 pandemic and economic downturn. The allocation was authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) signed into law on March 27, 2020 by the President of the United States.

At the May 12 City Council Meeting, Council directed staff to carry out the process required to utilize the CDBG-CV funds and instructed that the funds should be used to respond to businesses experiencing financial hardship directly attributed to COVID-19. HUD is allowing waivers which grant flexibility for certain regulatory requirements of the CDBG program. Per HUD requirements, the waiver will be submitted to HUD no less than two days before using the waiver flexibility. In addition, substantial amendments will be required to the CDBG Citizenship Participation Plan in order to shorten noticing requirements and address gathering restrictions and to the Fiscal Year 2019-2020 CDBG Annual Action Plan in order to include the additional COVID-19 funds. To further expedite and ease the process, HUD will permit this staff report to serve as the before mentioned Amendments.

LEGISLATIVE HISTORY / PREVIOUS ACTIONS

The CDBG Program is authorized under Title I of the Housing and Community Development Act of 1974. The CDBG-CV funds are authorized under the Coronavirus Aid, Relief, and Economic Security Act

(CARES Act) signed into law on March 27, 2020 by the President of the United States.

DISCUSSION

Under the CARES Act, in order to comply with national and local social gathering requirements the bill eliminates the requirement to hold an in-person public hearing and it allows grantees to be reimbursed for COVID-19 activities regardless of the date the costs were incurred. The bill also allows grantees to apply the waiver of statutory regulations to 2019 and 2020 CDBG allocations.

This staff report constitutes the City of Glendora's Substantial Amendment to the following documents:

- CDBG Citizenship Participation Plan
- 2019-2020 Annual Action Plan covering the period of July 2019 through June 2020

The five-day review period for the Substantial Amendment (Amendment) began on May 19, 2020 and concluded on May 25, 2020.

CITIZENSHIP PARTICIPATION PLAN

As provided by HUD's Waivers under the CARES Act, the City will utilize a streamlined amendment process to plan and allocate CDBG-CV funding to respond to the impacts of the COVID-19 pandemic:

- **Reasonable Noticing:** Due to the time-sensitive manner, newspaper publication will not be required. The City will publish a notice on the City website at least five (5) days prior to the availability of substantial amendment documents for public review and the conducting of a public hearing.
- **Public Review Comment:** A five-day public comment period will be provided. Citizens can submit email comments in advance of the public hearing to the attention of the City Clerk.
- **Public Hearing:** A teleconferenced public hearing will be considered adequate. Citizens can submit verbal comments to the City Council at the time of the teleconferenced public hearing.

2019-2020 CDBG ANNUAL ACTION PLAN

The CDBG-CV funds allocated under the CARES Act may be used for a range of eligible activities that prevent, prepare and respond to COVID-19. Activities must meet one of the three National Objectives as required by CDBG Regulations: 1) Benefit to low- moderate- income (LMI) persons; 2) Address slum and blight; and/or 3) Meet an urgent need.

This amendment proposes to add \$179,204 in CDBG-CV funded activities to the 2019-2020 CDBG Annual Action Plan as follows:

- **Business Assistance:** Financial assistance to businesses experiencing financial hardship directly attributed to COVID-19 in order to retain a job held by a low- moderate- income (LMI) person or provide benefit to an LMI person by way of limited clientele in the case of a microenterprise. It is estimated that between eight and fifteen businesses will be assisted, helping to retain approximately five full time equivalent LMI jobs. Assistance to Businesses is included within the Five Year (2018

– 2023) Consolidated Plan as a priority objective under Economic and Human Development
Amount: \$143,364

- **Administration:** Administration of the Business Assistance Program. **Amount: \$35,840**

Upon adopting the terms of the Substantial Amendment to the Citizenship Participation Plan and the 2019-2020 CDBG Annual Action Plan as set forth below, the Amendment will be forwarded to HUD. Given the time-sensitive nature and the intent to utilize these funds in a time efficient manner, HUD is permitting this staff report to serve as the Amendment.

Upon adopting the terms of the Substantial Amendment to the Citizenship Participation Plan and the 2019-2020 CDBG Annual Action Plan as set forth below, the Amendment will be forwarded to HUD. Given the time-sensitive nature and the intent to utilize these funds in a time efficient manner, HUD is permitting this staff report to serve as the Amendment.

FISCAL IMPACT

Under the CARES Act, the FY 2019-2020 CDBG will receive an additional \$179,204 in CDBG-CV funds to carry out the proposed activities without impact to the General Funds. With approval from City Council, the Administrative Services Director will make the necessary budget adjustments to revenues and appropriations for the CARES Act in the amount of \$179,204 for FY 2020.

ENVIRONMENTAL DETERMINATION

There is no CEQA impacts associated with the recommendations in this report.



Respectfully submitted,
Valerie Escalante
 Community Development

Concurs with,
Not Applicable
 Not Applicable

Director <i>Jeff Kugel</i>	Certified as to Available Funds <i>Jane Overholt</i>	CEQA <i>Not Applicable</i>
Legal Review <i>William W. Wynder</i>		City Manager <i>Adam Raymond</i>

ATTACHMENTS:

- A. Public Notice (Website Posting Required)