



The City of La Habra
Community Development Department

2019-2020 ACTION PLAN – SUBSTANTIAL AMENDMENT
Amendment of Community Development Block Grant – CARES Act
(CDBG-CV) Allocation

PUBLIC COMMENT PERIOD
August 18 – August 22, 2023

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Executive Summary

August 21, 2023 Substantial Amendment

The City of La Habra is amending the substantial amendment dated 7/19/2021 to cancel certain Programs and Activities, increase funding to existing programs/activities, reduce funding to existing program/activities and fund a new program/activity that would create a new public space for residents to promote a healthy lifestyle while safely socially distancing to help reduce the spreads of the COVID-19 virus.

The substantial amendment will cancel certain Programs/Activities, increase funding to existing programs/activities, reduce funding to existing program/activities and fund a new Program/Activity. The following Table outlines the proposed funding allocations under this Substantial Amendment:

CDBG Programs/Activities	Original Funding Amount	Amount Reallocated thru Substantial Amendment	New Funding Amount (including Reallocation)	Amount Expended thru FY 22-23	Remaining Balance (Including Expenditures)
Microbusiness Stabilization	\$25,000	(\$25,000)	\$0	\$0	\$0
Community Employment	\$30,000	(\$30,000)	\$0	\$0	\$0
Parklets	\$105,000	(\$105,000)	\$0	\$0	\$0
Administration	\$153,852	(\$37,852)	\$116,000	\$107,889	\$8,111
Emergency Rental Assistance	\$455,596	(\$295,530)	\$160,066	\$160,066	\$0
Social Services	\$200,000	\$111,888	\$311,888	\$141,888	\$170,000
Old Reservoir Park	\$0	\$381,494	\$381,494	\$0	\$381,494
Grand Totals	\$969,448	N/A	\$969,448	\$409,843	\$559,605

This Substantial Amendment will cancel the following approved Programs/Activities:

- Microbusiness Stabilization Program due to the limited applications that were received. The City was able to assist small businesses through the Small Business Assistance Program using American Rescue Plan Act funds.
- La Habra Community Employment Program. A similar program is currently being funded through the Community Development Block Grant Entitlement Program (CDBG). The CDBG program provides services to connect La Habra residents to training and greater employment opportunities.

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- The Parklet Program was designed to assist businesses in low-income census tracts to provide outside dining options to help reduce the spread of the COVID-19 virus. However, the vehicular speeds along the CDBG eligible areas were at higher rates than most areas with parklets. Engineering will potentially look at possibilities of providing outdoor dining spaces in public areas at a future date undetermined.

This Substantial Amendment will increase funding to the following approved Program/Activity:

- Social Services Program for At-Risk Persons will increase from the original funded amount of \$200,000 to \$311,888, which will allow an additional year of services through Fiscal Year 2023-2024.

This Substantial Amendment will create the following new Program/Activity:

- Old Reservoir Park will be a newly created and funded Program/Activity with CDBG-CV funds in the amount \$381,494. Old Reservoir Park is approximately 1.19 acres in size and located off Brookdale Avenue, just West of Harbor Boulevard. The neighborhood is in low-income census tract 14.01 block group 1. The City's intention is to provide a natural habitat area for residents to social distance and provide outdoor activities that may help reduce the spread of the COVID-19 virus, while promoting physical and recreational activities. The funds would be used toward the installation of exercise equipment and shade structure, drinking fountain, electrical for park lighting and a decomposed granite walking trail.

This Substantial Amendment will reduce funding to the following approved Programs/Activities:

- Program Administration funding will be reduced from \$153,000 to \$116,000.
- Emergency Rental Assistance Program (ERAP) funding will be reduced from \$455,596 to \$160,066.

Background

Pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted by the Federal government on March 27, 2020, CDBG-CV funds were made available to entitlement jurisdictions. On March 31, 2020, HUD published a memorandum of available waivers of Community Planning and Development (CPD) Grant Program as well as Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts caused by COVID-19. Among the waivers authorized was the reduction of the required public comment period for substantial amendments from 30 days to 5 days. In addition, CDBG-CV funds are not bound by the 15% cap for public service activities specifically related to the prevention, response, or recovery related to coronavirus.

On April 2, 2020, the City of La Habra (City) received CARES Act funding from the U.S. Department of Housing and Urban Development (HUD) in the amount of \$400,188 in CDBG-CV1 funds to be used to address impacts of the COVID-19 pandemic in La Habra. These funds were submitted as the first amendment to the 2019-2020 One-Year Annual Action Plan which was approved by the City Council on May 18, 2020. The City received a second notification of allocation of federal CARES Act funding from HUD indicating that the City will receive an additional \$569,260 in CDBG-CV funding, referred to as

CDBG-CV3. The funding is to be utilized to help prevent, prepare for, and respond to COVID-19 impacts. The total amount the City has received in CDBG-CV funds is \$969,448.

History of CDBG-CV Funds

On May 18, 2020 City Council approved the following Programs and amounts for the original CDBG-CV allocation of \$400,188:

1. Housing Assistance:	\$220,188
2. Economic Development:	\$140,000
3. Program Administration:	<u>\$ 40,000</u>
Total Amount:	\$400,188

On July 20, 2020, City Council approved the following specific Activities and guidelines for the Programs that were approved on May 18, 2020:

1. Residential Rental Assistance- (Emergency Rental Assistance Program):	\$200,188
2. Small Business Support and Technical Assistance- (Microbusiness Stabilization Program):	\$ 25,000
(La Habra Community Employment Program):	\$ 30,000
3. Parklet Design and Installation:	\$105,000
4. Program Administration:	<u>\$ 40,000</u>
Total Amount:	\$400,188

On September 11, 2020 the HUD notified the City of an additional CDBG-CV 3 funds in the amount of \$569,260. On July 19, 2021 City Council approved the following Programs and Activities for CDBG-CV 3 funds:

1. Social Services Program for At-Risk Person- (Homeless Outreach)	\$200,000
2. Residential Rental Assistance- (Emergency Rental Assistance Program):	\$255,408
3. Program Administration:	<u>\$113,852</u>
Total Amount:	\$569,260

Update on the use of CDBG-CV funds to date:

Program Administration: Funds for program administration is used to cover staff cost for administering the CDBG-CV programs. The amount approved for CDBG-CV and CDBG-CV3 funds is \$153,852. The total amount expended on CDBG-CV funds to date is \$107,889. The remaining balance is \$45,963.

Social Services Program for At Risk Persons (Homeless Outreach): The funds for this program provide staffing to assist with outreach and services to persons homeless and at-risk of homelessness for shelter, food, health and education support operations including COVID-19 testing, screening for symptoms to help prevent the spread of COVID-19 from housing and other services provided. From May 2022 until the third quarter of Fiscal Year 2022-2023 124 persons have been assisted through homeless outreach. The

total amount funded for this program is \$200,000. The total expended on this program to date is \$141,888. The remaining balance is \$58,112.

Residential Rental Assistance (Emergency Rental Assistance Program): On September 8, 2020 the City released the Emergency Rental Assistance Program. Due to the strict documentation requirements, it was difficult to qualify some household’s income and to determine the households COVID-19 hardship. Also, some applicants had already received rental assistance from other funding sources for the same timeframe making the applicants ineligible for assistance under the CDBG-CV program. Despite this difficulty the City was able to assist a total of 32 households with up to three months rental assistance. The combined total of CDBG-CV and CDBG CV 3 funds approved for this Activity was \$455,596. The total expended on this Activity was \$160,066. The remaining balance is \$295,530.

Small Business Support and Technical Assistance Support (Microbusiness Stabilization Program): On June 14, 2021, the City released the Microbusiness Stabilization Program. The total amount funded for this program was \$25,000. The City received limited applications for this program. Due to HUD’s duplication of benefits restrictions, businesses that received any COVID-19 relief funding from any other sources, could not apply for CDBG-CV funding for the same time periods, so as not to duplicate benefits. Unfortunately, there were only 2 applications received and the applicants did not qualify for funding. The remaining balance is \$25,000.

Small Business Support and Technical Assistance Support (La Habra Community Employment Program): Under the umbrella of small business support and technical assistance \$30,000 was provided to start an adult employment training program. The intent of the program was to help individuals that were unemployed due to COVID-19 find new employment opportunities. This program was difficult due to early stay-in place orders and eventually funding for employment training was provided through the City’s CDBG Entitlement for Public Services. The remaining balance is \$30,000.

Parklet Design and Installation: The intent of the parklet program was to provide outside dining areas for businesses in low-income CDBG Census tracts in order to help reduce the spread of COVID-19. Staff had some concerns about safety of parklets on streets that had higher traffic speed, as most parklets are on streets where traffic has been slowed. Public Works is hoping to work on a sidewalk widening program that would allow for outside dining on the widened sidewalks and therefore the City did not move forward with the parklet program. The total funding for this program was \$105,000. The remaining balance is \$105,000.

Proposed Uses of Community Development Block Grant (CDBG-CV) to be allocated with this amendment:

• CDBG-CV Social Services Program for At-Risk Persons	\$311,888
• CDBG-CV Emergency Rental Assistance Program (ERAP)	\$160,066
• CDBG-CV Old Reservoir Park Improvement Project	\$381,494
• CDBG-CV Administration	<u>\$116,000</u>
Grand total CDBG-CV Allocations	\$969,448

Process

Given the urgency to design and launch programs with the CDBG-CV allocation, the CARES Act authorized grantees with the flexibility of providing 5-day public review periods to fulfill applicable public hearing

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requirements. On March 31, 2020, HUD issued a memo authorizing grantees to modify public review and hearing requirements to comply with this flexibility. The City of La Habra requested the use of these waivers on April 16, 2020 and received approval from HUD on April 18, 2020 to utilize them.

Amendment

As such, the City of La Habra is conducting a 5-day review period for this substantial amendment from August 18 – August 22, 2023. The City will conduct a public hearing for the substantial amendment as part of the August 21, 2023 City Council meeting.

To encourage review and comment on the proposed activities, the City of La Habra published notices advertising the substantial amendment in the Orange County Register and Excelsior newspapers. The City posted this amendment on the City’s website for review and comment.

To ensure reasonable participation in the public hearing, the meeting will be open to the public on Monday, August 21, 2023 at 6:30 pm in the City Council Chambers located at 100 E. La Habra Blvd., La Habra, CA 90631. Additionally, a draft document will be made available in the following locations during normal business hours:

- Child Development Building, 205 E. La Habra Blvd., La Habra, CA 90631
- Community Development Department, 110 E. La Habra Blvd., La Habra, CA 90631
- Community Services, 101 W. La Habra Blvd., La Habra, CA 90631
- County of Orange La Habra Branch Library located at 221 E. La Habra Blvd., La Habra, CA 90631

Additionally, residents can submit comments on the document via email to Susan Louie, slouie@lahabraca.gov or via mail no later than **5:00 pm on August 22, 2023**.

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Sort Order	Activity	Target Population	Summary	Summary of Comments Received
1.	Comment Period	<ul style="list-style-type: none"> • Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders 	The City conducted its 5-day comment period from August 18 – August 22, 2023.	(to be completed at close of public comment period)
2.	Public Hearing	<ul style="list-style-type: none"> • Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders 	The City conducted its public hearing to review the Substantial Amendment to the 2019 Action Plan on August 21, 2023.	(to be completed at close of public comment period)

Table 1 – Resident Engagement

Expected Resources – 91.220(c)(1,2)

Introduction

The City of La Habra’s special allocation of CDBG-CV resources is \$969,448 and is proposed to be allocated with this amendment.

Anticipated Resources

Program	Source of Funds	Use of Funds	CARES Act Allocation	Narrative Description
CDBG-CV	Public-Federal	Social Services Program Emergency Rental Assistance Old Reservoir Park Improvement Administration	\$311,888 \$160,066 \$381,494 \$116,000	CDBG activities to prevent, prepare for, and respond to COVID-19

Table 2 - Expected Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

In the initial planning and programming of these resources, the Community Development Department has worked closely with other city departments as well as County, State, and Federal partners to identify other available resources authorized through the CARES Act, the Small Business Administration (SBA), and Federal Emergency Management Agency (FEMA) that can be leveraged to maximize the impact of the CDBG-CV resources.

Annual Goals and Objectives – 91.220(c)(3)

To allocate the CDBG-CV program, the City of La Habra has established new goals for the 2019 Annual Action Plan.

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	COVID-19 Response	2019	2023	Affordable Housing; Non-Housing Community Development; Affordable Housing Homeless	Citywide; CDBG low- and moderate-income areas.	COVID-19 Impact	\$969,448 (CDBG-CV1 and CDBG-CV3)	32 households; 885 low-mod residents; 120 persons (At Risk)

Table 3 – Annual Goals

Projects – 91.220(d)

Introduction

With the CDBG-CV allocation, the City of La Habra will fund the following projects.

Projects

#	Project Name
1	Administration
2	Emergency Rental Assistance
3	Social Services Program for At-Risk-Persons
4	Old Reservoir Park Improvement

Table 4 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

These projects were determined in consultation with City staff, departments, and stakeholders serving low- and moderate-income residents of La Habra to identify critical needs resulting from COVID-19 within the City.

Project Summary Information

1	Project Name	Program Administration
	Target Area	Citywide
	Goals Supported	COVID-19 Response
	Needs Addressed	COVID-19 Impact
	Funding	CDBG-CV: \$116,000
	Description	Overall administration of the CDBG-CV Program including: completion of grant application, oversight of citizen participation process, development of annual funding contracts with agencies, set up of projects in HUD funds disbursement system and draw down funds, implementation of programs and compliance with HUD reporting requirements. Eligibility of this activity is based on Section 105(a)(13) of HUD's regulation.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	n/a

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	Location Description	Activities will be managed from City offices.
2	Project Name	Emergency Rental Assistance
	Target Area	Citywide
	Goals Supported	COVID-19 Response
	Needs Addressed	COVID-19 Impact
	Funding	CDBG-CV: \$160,066
	Description	Through this program, the City will provide short-term rental assistance to households adversely impacted by COVID-19 due to job loss/termination, furlough, reduction in hours and/or pay during the eligible pandemic period (March 1, 2020 to present).
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 32 low- and moderate-income households will benefit from this activity
	Location Description	Citywide
3	Project Name	Social Services Program for At-Risk Persons
	Target Area	Citywide
	Goals Supported	COVID-19 Response
	Needs Addressed	COVID-19 Impact
	Funding	CDBG-CV: \$311,888
	Description	This program will provide a Public Service to respond to COVID-impacts by aiding individuals at-risk of contracting COVID-19, social services program recipients include: households at risk of eviction and/or homelessness; individuals and families exiting homelessness who need assistance; homeless shelter operations; health and education support operations, such as food distribution and health wellness events; and support for COVID-19 testing and vaccination sites. A portion of the funds may be used to fund a liaison/counselor position within the Community Services Department.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	120 individuals
	Location Description	Citywide

	Location Description	Citywide
	Project Name	Old Reservoir Park Improvement
	Target Area	Low-income census tract 14.01 block group 1
	Goals Supported	COVID-19 Response
	Needs Addressed	COVID-19 Impact
	Funding	CDBG-CV: \$381,494
	Description	This program will provide a natural habitat area for residents to social distance and provide outdoor activities that may help reduce the spread of the COVID-19 virus, while promoting physical and recreational activities.
	Target Date	12/31/23
	Estimate the number and type of families that will benefit from the proposed activities	885 low-mod residents.
	Location Description	Old Reservoir Park is approximately 1.19 acres in size and located off Brookdale Avenue, just West of Harbor Boulevard. Low-income census tract 14.01 block group 1

Table 5 – Project Details