



City of
LA HABRA
City Council Agenda Report

**Public Hearings
Item No. 1.**

MEETING DATE: 08/21/2023

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: JIM SADRO, CITY MANAGER
By: Susan Louie, Housing Specialist

SUBJECT: PUBLIC HEARING TO CONSIDER A PROPOSED SUBSTANTIAL AMENDMENT TO THE 2019-2020 COMMUNITY DEVELOPMENT BLOCK GRANT COVID-19 (CDBG-CV) ACTION PLAN

RECOMMENDATION:

That the City Council approve a Substantial Amendment to the Community Development Block Grant-Coronavirus (CDBG-CV) 2019-2020 Action Plan.

DISCUSSION:

In 2020, the City of La Habra (City) became eligible to receive \$969,448 of CDBG-CV funds from the U.S. Department of Housing and Urban Development (HUD) as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act was a \$2.2 trillion federal economic stimulus bill signed into law on March 27, 2020, in response to the economic fallout of the COVID-19 pandemic in the United States. The bill included \$339.8 billion in assistance to state and local governments. The City Council allocated its CDBG-CV funding to the following activities on July 20, 2020; and subsequently on July 19, 2021. The table below shows the amount of funding for each program, the amount expended, the amount remaining, and a description of implementation activities.

Activity	2020 Funding	2021 Funding	Total Funding	Expended	Remaining	Implementation
Emergency Rental Assistance Program	\$200,188	\$255,408	\$455,596	\$160,066	\$295,530	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.
Microbusiness Stabilization Program	\$25,000	-	\$25,000	-	\$25,000	On June 14, 2021, the City released the Microbusiness Stabilization Program. 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 two applications received, and the applicants did not qualify for funding.
La Habra Community Employment Program	\$30,000	-	\$30,000	-	\$30,000	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 La Habra Community Employment Program was to help individuals that were unemployed due to COVID-19 find new employment opportunities. This program was difficult to implement due to early stay-in place orders; and, eventually funding for employment training was provided through the City's CDBG Entitlement for Public Services.
Business Parklet Program	\$105,000	-	\$105,000	-	\$105,000	The intent of the Business 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. However, staff was unable to implement this program due to concerns about safety of the potential location of the parklets on streets that had higher traffic speeds.
Social Services Program for At-Risk Persons	-	\$200,000	\$200,000	\$141,888	\$58,112	This program provides 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.
Program Administration	\$40,000	\$113,852	\$153,852	\$107,889	\$45,963	This funding is used to cover staff costs for administering the CDBG-CV programs.
Total	\$400,188	\$569,260	\$969,448	\$409,843	559,605	

Proposed Substantial Amendment

Staff has prepared the proposed Substantial Amendment (Attachment 1) to revise the funding for the approved activities to reflect the successes or challenges that have occurred to date during implementation, and to add a new project ("Old Reservoir Park"). The proposed funding changes, and the associated justification for these changes, are summarized in the table below.

Activity	Total Funding	Expended	Remaining	Amount Reallocated	Balance	Reason for Reallocation
Emergency Rental Assistance Program	\$455,596	\$160,066	\$295,530	-\$295,530	-	Staff believes that it has assisted all eligible applicants that are interested in participating in this program.
Microbusiness Stabilization Program	\$25,000	-	\$25,000	-\$25,000	-	Instead of using CDBG-CV funding, 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	\$30,000	-	\$30,000	-\$30,000	-	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.
Business Parklet Program	\$105,000	-	\$105,000	-\$105,000	-	The Business 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 potentially created unsafe conditions for the proposed parklets.
Social Services Program for At-Risk Persons	\$200,000	\$141,888	\$58,112	\$111,888	\$170,000	Funding for the 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.
Program Administration	\$153,852	\$107,889	\$45,963	-\$37,582	\$8,111	The costs associated with program administration are anticipated to be slightly lower than originally expected.
Old Reservoir Park	-	-	-	\$381,494	\$381,494	Old Reservoir Park will be a new activity that will use 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.
Total	\$969,448	\$409,843	\$559,605	0	\$559,605	

FISCAL IMPACT/SOURCE OF FUNDING:

There is no impact on the General Fund. The City of La Habra's special allocation of CDBG-CV resources is \$969,448 and is proposed to be allocated as follows 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 \$116,000

Grand total CDBG-CV Allocations \$969,448

Should the proposed Substantial Amendment be approved, staff anticipates expending all CDBG-CV by the end of Fiscal Year 2023-2024.

GENERAL PLAN RELEVANCE/CITY COUNCIL GOALS & OBJECTIVES:

GENERAL PLAN RELEVANCE:

- LU. 2.3 Places to Work
- LU. 17.1 Adequate Community-Supporting Uses
- ED. 2.1 Business Attraction
- ED. 2.2 One-Stop Business Assistance
- ED. 2.3 Business Attraction-Retention
- H.2.8 Rehabilitation & Home Improvement Program
- H.3.2 Assistance to Prevent Housing Discrimination

LA HABRA GOALS AND OBJECTIVES:

- Goal 3 Objective B – Maintain and upgrade city buildings, facilities and parks
- Goal 2 Objective H – Pursue grant funding where and when possible to supplement and/or replace direct City funding

Attachments
Substantial Amendment
Notice
