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FEB 25 2019

Item No. 6

City of South Gate

**CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER**

CITY COUNCIL

7:45am

AGENDA BILL

For the Regular Meeting of: March 12, 2019

Originating Department: Community Development

Department Director: Joe Perez

City Manager: Michael Flad

Joe Perez

Michael Flad

SUBJECT: PROJECTS AND ALLOCATIONS ELIGIBLE FOR FUNDING FROM THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FOR FISCAL YEAR 2019/20

PURPOSE: To consider the Citizen’s Advisory Committee’s (CAC) recommended projects and funding amounts to be appropriated from Community Development Block Grant (CDBG) funds for fiscal year 2019/20.

RECOMMENDED ACTIONS: Following the conclusion of the Public Hearing:

- a. Consider the recommended Citizen’s Advisory Committee’s list of proposed projects and allocations for Community Development Block Grant funds for fiscal year 2019/20; and
- b. Determine the amounts to be appropriated per project from the estimated \$1,500,000 Community Development Block Grant funding for fiscal year 2019/20.

FISCAL IMPACT: There is no fiscal impact to the General Fund. The fiscal impact will be the expenditure of approximately \$1,500,000 in CDBG funds during fiscal year 2019/20. However, funding amounts are subject to change due to Congressional restrictions.

ALIGNMENT WITH COUNCIL GOALS: The projects and activities recommended by the CAC meet the City Council’s goals to continue creating and protecting strong and sustainable neighborhoods by providing home improvement programs, eliminating graffiti, and assisting disabled and potentially homeless individuals. In addition, the Park Fence Restoration and Replacement project will support the goal of continuing infrastructure improvements.

NOTICING REQUIREMENTS: Advertising and notification of the Public Hearing was conducted in compliance with Municipal Code 11.50.020 and was published in the Los Angeles WAVE on February 21, 2019.

ANALYSIS: The action before the City Council is part of the established CDBG funding allocation process. The Department of Housing and Urban Development (HUD) generally informs cities of their CDBG funding in July or August of each year. Since this occurs after the date the City begins the application process, staff estimated the CDBG allotment based on the previous year funding. It is anticipated that the City will receive \$1,400,000 in fiscal year 2019/20. When combined with \$100,000 in carryover funds, the total amount of CDBG funding for fiscal year 2019/20 is estimated to be \$1,500,000.

HUD allows 20% (\$280,000) of the annual CDBG allocation to go towards administrative costs including salaries, training, benefits, postage, maintenance of equipment, etc., and for Fair Housing (\$24,000). Only 15% (\$210,000) of the total annual allocation is allowed for Public Services Projects. \$100,000 also goes to Home Delivery administration. This leaves \$910,000 for Non-Public Service Projects. If fewer CDBG funds are received than anticipated, City Council approved projects will be reduced on a pro-rata basis, as per past practice.

Below is a brief description of each of the projects recommended by the CAC:

Non-Public Service Projects

- *Code Enforcement:* The Code Enforcement Program addresses the elimination of blight, building and property maintenance violations, illegal dumping and enforces substandard building, electrical, plumbing, and mechanical health and safety codes.
- *SG Park Fence Restoration and Replacement:* The Park Fence Restoration and Replacement Project proposes to reconstruct fencing that separates playgrounds from nearby streets, prevents patrons from wandering into sporting events and protects individuals from entering into potentially dangerous areas such as unguarded swimming pools.
- *Commercial Façade:* The Commercial Façade Program will offer up to \$40,000 to existing or new business owners to make exterior commercial façade improvements such as new signage, installation of new doors and windows, new paint and exterior lighting. Participants must provide a 20% match, remove all exterior violations, and sign a contract with a licensed contractor.
- *Tweedy Mile Window and Door Enhancement:* The Tweedy Mile Window and Door Enhancement Program will assist eligible business owners along the Tweedy Mile with broken windows, front door replacement, and anti-graffiti film installation on windows.

Public Service Projects

- *Family Violence Prevention and Education:* The Family Violence Prevention and Education Program promotes awareness and education about issues related to domestic violence. This program provides those impacted by family violence with counseling, support groups, referrals to community resources, and assistance with placement into shelters if necessary.
- *South Gate Police Explorers:* The South Gate Police Explorers Program provides training for youths (ages 14-21) who are interested in pursuing a career in law enforcement. Police Explorers are used as a supplement to sworn personnel in non-hazardous situations and community events.
- *Graffiti Abatement:* The Graffiti Abatement Program currently services eligible low- and Moderate-income services areas in removing graffiti. The program addresses removal of graffiti on both residential and business structures in the public right-of-way, sidewalks and street surfaces and other public surfaces.

- *Salvation Army Bell Shelter:* The Salvation Army Bell Shelter proposes to operate a Community Service Program exclusively for residents of the City of South Gate who are experiencing homelessness. The program will offer temporary housing for up to 90 days. Supportive services include comprehensive needs assessment, individualized case management, benefits advocacy transportation services and life skills classes. The project proposes to serve 11 individuals during the one year contract.
- *Helpline Youth Counseling:* Helpline Youth Counseling will assist low and moderate income households at risk of experiencing homelessness to achieve and maintain housing stability. Services include rental payments, security and utility deposits, case management, and intake and assessment needs. The program offers housing search/placement services, mediation, legal services and credit repair.
- *Southern California Resource Services:* Southern California Resource Services' Assistive Technology Program provides equipment such as wheelchair ramps, grab bars, and comfort height toilets to mobility impaired low income individuals. Other mobility devices include walkers, wheelchairs and shower seats. The program will also offer minor home modifications such as door widening, lowering counter tops and installing accessible sinks and appliances.

In addition to the above projects, there is one CDBG funded project as listed on the attached funding breakdown spreadsheet as follows:

- *Program Delivery Costs:* HUD allows the use of CDBG funds to cover staff costs directly related to administering the Homeowner Rehabilitation Program funded with HOME Investment Partnerships funds. The Homeowner Rehabilitation Program makes zero interest loans up to \$65,000 to low income eligible homeowners to make needed repairs.

BACKGROUND: During the month of October, letters were sent to non-profit organizations and city departments and a legal notice of funding availability was published on October 4, 2018, to inform prospective applicants of the availability of CDBG funds for fiscal year 2019-20. Applications were made available at mandatory meetings held in November where the application process was explained in detail and questions were answered. Completed applications were accepted in the City Clerk's office up until the deadline date of November 29, 2018. The CAC reviewed the applications and later heard presentations from the applicants at their meetings of January 23, 2019 and January 30, 2019. On February 6, 2019, the CAC discussed and recommended approval of the attached list of projects and allocations.

Upon approval of the CDBG projects and allocations, the Annual Action Plan Update will be finalized for submittal to HUD on or before May 15, 2019. The Annual Action Plan Update is both an application and a plan required by HUD for cities receiving funding from the CDBG program. Any changes made on projects or allocations after that date can only be approved pursuant to a Substantial Amendment which requires a public hearing process.

- ATTACHMENTS:**
- A. CAC and staff recommended projects and allocations
 - B. Public Notice for CAC's recommended projects and allocations
 - C. Public Notice of Availability of Funds

CDBG FUNDING SUMMARY

CDBG REVENUES	FY 2018-19 Budgeted	FY 2019-20 Estimated
CDBG Annual Allocation	\$1,456,142	\$1,400,000
Carry-Over from Prior Years (not used to determine funding caps)	\$35,324	\$100,000
Total CDBG Revenues	\$1,491,466	\$1,500,000

CDBG EXPENDITURES	FY 2018-19 Budgeted	FY 2019-20 Estimated
Program Admin. (up to 20% of FY allocation - includes \$24,000 for Fair Housing Foundation)	\$291,228	\$280,000
Program Delivery (Home Imp. Program)	\$100,000	\$100,000
Minor Home Improvement Program	\$100,000	\$0
Public Service Projects (up to 15% of annual allocation)	\$195,000	\$210,000
Non-Public Service Projects	\$805,238	\$910,000
Total Service Project Funding	\$1,491,466	\$1,500,000

CDBG Funding Requests & Recommendations – Service Projects (FY 2019-20)

NON-PUBLIC SERVICE PROJECTS (\$910,000 AVAILABLE)	FY 2018-19 CAC Approved	FY 2019-20 Requested	FY 2019-20 Staff Recommend	FY 2019-20 CAC Recommend	FY 2019-20 CC Approved
Code Enforcement	\$375,000	\$375,000	\$375,000	\$375,000	
Fence Repair (Parks)		\$850,000	\$275,000	\$275,000	
Sidewalk Improvement, Phase VII	\$140,000	\$140,000	\$0	\$0	
Commercial Façade Improvement	\$120,000	\$300,000	\$200,000	\$200,000	
Relocation of Glenn T. Seaborg House	\$124,914	\$0	\$0	\$0	
Tweedy Mile, Repair of Windows and Doors	\$45,324	\$80,000	\$60,000	\$60,000	
Total Non-Public Service Requests	\$805,238	\$1,745,000	\$910,000	\$910,000	\$0

PUBLIC SERVICE PROJECTS (\$210,000 AVAILABLE)	FY 18-19 CC Approved	FY 2019-20 Requested	FY 2019-20 Staff Recommend.	FY 2019-20 CAC Recommend.	FY 2019-20 CC Approved
Family Violence Prevention and Education	\$10,000	\$10,000	\$10,000	\$10,000	
Police Explorers	\$7,000	\$7,000	\$7,000	\$7,000	
Graffiti Abatement	\$140,000	\$140,000	\$140,000	\$140,000	
Salvation Army (Bell Shelter)	\$20,000	\$40,000	\$22,500	\$22,500	
Helpline Youth Counseling	\$5,500	\$40,000	\$22,500	\$22,500	
The Human Element Passage	\$0	\$1,040	\$0	\$0	
Southern California Rehabilitation Svcs	\$7,000	\$8,000	\$8,000	\$8,000	
Compatior	\$0	\$30,000	\$0	\$0	
Hub Cities	\$5,500	\$0	\$0	\$0	
Total Public Service Requests	\$195,000	\$276,040	\$210,000	\$210,000	\$0

**CITY OF SOUTH GATE
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the City of South Gate, California may receive approximately \$1,500,000.00 dollars in Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). Additionally, the City will carry over approximately \$100,000 from prior years to fund projects during Fiscal Year 2019/20. As part of this process, the City Council of South Gate will be conducting a Public Hearing to consider approving the Citizens Advisory Committee's (CAC) list of recommended projects and allocations.

DATE OF HEARING: Tuesday, March 12, 2019

TIME OF HEARING: 6:30 p.m.

LOCATION OF HEARING: City Hall Council Chamber
City of South Gate
8650 California Avenue
South Gate, CA 90280

The CAC's recommendations are as follows:

CDBG Allocation	\$1,400,000:
Carry-over from prior years	\$ 100,000
CDBG Allocation Total	\$1,500,000:

Program Administration Cap at 20%:	\$280,000
Includes Fair Housing Foundation: (\$24,000)	
Public Service Allocation Cap at 15%:	\$210,000
Program Delivery	\$100,000

<u>Non-Public Service Requests Available</u>	\$910,000:
Code Enforcement:	\$375,000
S.G. Park Fence Restoration and Replacement:	\$275,000
Commercial Façade Improvement	\$200,000
Tweedy Mile - <i>Window/Door Repairs:</i>	\$ 60,000

<u>Public Service Projects Available</u>	\$210,000:
Police Department – <i>Family Violence Prevention & Education:</i>	\$ 10,000
Police Department - <i>Police Explorers:</i>	\$ 7,000
Public Works Department - <i>Graffiti Abatement:</i>	\$140,000
The Salvation Army - <i>Homeless Shelter:</i>	\$ 22,500
Helpline Youth Counseling – <i>Homelessness Prevention:</i>	\$ 22,500
The Human Element Passage	\$ 0
Southern California Rehabilitation Services:	\$ 8,000
Comptior	\$ 0

INVITATION TO BE HEARD:

All interested persons are invited to the Public Hearing to be heard. In addition, written comments may be submitted to the City Council prior to the hearing. Comments may be submitted in writing by mailing comments to City of South Gate, Community Development Department, Attn: Vivian M. Garcia, Housing Administrator, 8650 California Avenue, South Gate, CA 90280.

ESPAÑOL

Información en Español acerca de esta junta puede ser obtenida llamando al (323) 563-9528.

/s/ Vivian M. Garcia, Housing Administrator
/s/ Carmen Avalos, City Clerk

Published: February 21, 2019 Los Angeles WAVE

PUBLIC NOTICE
CITY OF SOUTH GATE

Office of the
South Gate City Clerk

SEP 26 2018

FILED

AVAILABILITY OF FUNDS AND REQUEST FOR PROPOSALS

NOTICE IS HEREBY GIVEN that the City of South Gate is entitled to receive an estimated \$1,400,000 dollars in Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) for Fiscal Year 2019-20. Of the total estimated amount, a maximum of fifteen percent (15%) or **approximately \$210,000** will be available to applicants for Public Service projects.

Proposed Public Service projects are required to *benefit low to moderate-income City residents* and meet a HUD eligible activity, including but not limited to those concerned with *crime prevention, child care, health, drug abuse, education, fair housing counseling, senior services, youth at-risk assistance or recreational needs*. A complete list of the eligible activities is available at South Gate City Hall in the Housing Division of the Community Development Department or online at the *U.S Government Printing Office website: www.ecfr.gov, Title 24 - CFR 570 -CDBG, Subpart C, §570.201(e)*.

Public Service organizations and Non-Public Service organizations interested in applying for CDBG funding must attend a **mandatory** workshop to be **eligible** to receive an application as follows:

PUBLIC SERVICE ORGANIZATIONS DATE OF WORKSHOP: Monday, October 29, 2018
TIME: 10:00A.M.
LOCATION: South Gate Civic Center Museum
8680 California Avenue, South Gate,
CA 90280

NON-PUBLIC SERVICE ORGANIZATIONS
DATE OF WORKSHOP: Monday, October 29, 2018
TIME: 2:00P.M.
LOCATION: South Gate Civic Center Museum
8680 California Avenue, South Gate,
CA 90280

Applicant personnel who will be designated on the proposed application as responsible for writing the grant application and managing the project are **required** to attend the workshop, and submit an **RSVP confirmation** to Abel Torres, Housing and Grants Analyst, atorres@sogate.org by Thursday, October 18, 2018 with the following information:

- a) Name of organization;
- b) Name of the proposed project;
- c) Name and title of each attendee; and,
- d) Contact information for each attendee

Those desiring further information should contact Abel Torres, Housing and Grants Analyst, (323) 563-9528 atorres@sogate.org, Community Development Department, City of South Gate, 8650 California Avenue, South Gate, CA 90280-3075.

The South Gate Citizen Advisory Committee and City Council will hold a series of Public Hearings to determine and approve the funding recommendations for each Public Service project.

ESPAÑOL:

Información en Español acerca de esta junta puede ser obtenida llamando al (323) 563-9592.

/s/ Vivian M. Garcia, Housing Administrator

Published: October 4, 2018 - the Los Angeles WAVE