



Agenda Item B.2
PUBLIC HEARING
Meeting Date: November 5, 2020

TO: Mayor and Councilmembers

FROM: Vyto Adomaitis, Neighborhood Services and Public Safety Director

CONTACT: Claudia Dato, Senior Project Manager

SUBJECT: Public Hearing for Approval of Community Development Block Grant-Coronavirus Action Plan Amendment

RECOMMENDATION:

- A. Conduct a public hearing to receive input on the proposed uses for the Community Development Block Grant-Coronavirus funding; and
- B. Approve the proposed Community Development Block Grant-Coronavirus amendment to the 2019-2020 Action Plan and authorize submittal to the Department of Housing and Urban Development, subject to staff making any edits requested by City Council.
- C. Approve a budget appropriation and grant revenue adjustment of \$268,247 for the Community Development Block Grant Coronavirus response funds in the Community Development Block Grant program budget.

BACKGROUND:

The City receives an annual allocation of Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD). The primary objective of the CDBG program is the development of viable communities, decent and affordable housing, and expanded economic development opportunities for persons of very low-, low- and moderate-incomes. As a CDBG entitlement community, the City of Goleta is required to submit an annual Action Plan to HUD. The Action Plan articulates the City's proposed CDBG programs and projects for the upcoming program year, sets annual goals, and indicates how the CDBG funding will be allocated.

On March 27, 2020, the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was approved. The CARES Act made available \$5 billion in CDBG coronavirus response (CDBG-CV) funds to prevent, prepare for, and respond to the coronavirus. On April 2, 2020, the City received its official special allocation letter

regarding CARES Act funding. The City of Goleta was awarded additional funding through the Federal CARES Act in the amount of \$132,696, referred to as CDBG-Coronavirus (CDBG-CV) funding. These funds have much greater flexibility in how they are used but must be allocated towards programs and services to address the public health emergency caused by COVID-19. On May 19, 2020, the City Council approved an amendment to the 2019-2020 Action Plan for use of these funds. In addition to the CARES Act funding allocations, HUD also released new public noticing guidelines. This was done in order to ensure that these funds are allocated as expeditiously as possible to meet needs created by the COVID-19 public health crisis. In May, the City also updated its Citizen Participation Plan to shorten public noticing periods as allowed by HUD during emergency situations and when meeting urgent need.

To ensure the community's needs were most efficiently met with these initial CDBG-CV funds, the City Council approved \$90,000 for a CV-Nonprofit Assistance Program to be implemented by a partnership between the Santa Barbara Foundation, United Way of Santa Barbara County, and the Hutton Parker Foundation. Under this program, the partnership would ensure grants are provided to nonprofits serving Goleta residents during the COVID-19 emergency through the COVID-19 Joint Response Community Relief Fund. The balance of the CDBG-CV funding (\$42,676) was allocated to a Low-Income Individual Assistance Program. This program provides grant support to the United Way to aid in supporting individuals and families to secure basic needs (e.g., food, housing, medication, etc.), childcare/educational support, and other needed services to those who have been impacted by loss of a job/wages due to COVID-19.

On September 11, 2020, HUD notified the City that it would be receiving an additional CDBG-CV CARES Act allocation of \$268,947. For this funding, HUD is requiring grantees "to swiftly distribute and use CDBG-CV grants." As mentioned above, all activities funded by CDBG-CV must have a clear tieback to coronavirus, which makes it difficult to spend these funds on "standard" public facility/infrastructure projects. Normally 65% of the City's CDBG allocation would go to this category. Fortunately, unlike regular CDBG funding, the standard 15% cap on public services does not apply.

On September 23, 2020, the Grant Funding Review Committee met to consider the additional funding in order to make recommendations to the City Council regarding activities to be supported with the CDBG-CV funding. The Committee's recommendations are presented and discussed below.

DISCUSSION:

HUD has directed that this additional CDBG-CV allocation be incorporated into the City's CDBG program by way of another amendment to the 2019-2020 Action Plan rather than the current year Action Plan. HUD has also directed that the City "swiftly distribute and use CDBG-CV grants" to the extent possible. In total, the City will be receiving \$401,643 in CDBG-CV funding. Use of the initial \$132,696 in CDBG-CV funding was approved in May 2020 as mentioned above. The following are the Grant Funding Review Committee recommendations for the second installment of \$268,947 awarded in early September:

- **Emergency Rental Assistance Program (\$190,000):** Expansion and continuation of the existing HOME-funded rental assistance program that provided \$5,000 maximum grants to renters within Goleta city limits who have had their income reduced directly due to the impacts of COVID-19. The HOME-funded program required that those assisted have an income at or below 60% of the area median income (AMI). The deadline for those applications was September 4, 2020 and it appears that more applications have been received than there is available funding, meaning some applicants will not be funded (approximately \$40,000 deficit). To continue the program, the City can contract with the Housing Authority for the County of Santa Barbara and the Legal Aid Foundation to: 1) provide additional funding to cover existing applicants who could not be funded by the HOME program due to a shortage of funds; and 2) allow new applicants at an expanded level of income that goes up to 80% AMI (rather than 60% AMI).
- **Fund CDBG Applicants Not Funded for FY20/21:** There were three CDBG applicants not funded (or not completely funded) with CDBG funding (though they received much smaller Goleta City Grants funds) that are seeing much greater service demands as a result of the COVID-19 coronavirus pandemic. Staff has reached out to these applicants to confirm the level of need relative to the effects of the pandemic. These organizations are:
 - **Healthy Senior Lunch Program (\$12,500)** – With the Goleta Community Center closed, meals are now being delivered to seniors at a greater cost by CommUnify (formerly Community Action Commission (CAC)). CAC received \$5,671 in CDBG funds, but no Goleta City Grant funds.
 - **Emergency Shelter, Transitional Housing and Wrap-Around Services for Homeless Families (\$10,000)** – These funds would go to Transition House, the only homeless shelter for families with children in southern Santa Barbara County. The program requires participation in a full array of anti-poverty support services. Transition House has seen an increase in demand in the past few months due to the pandemic. Transition House received no CDBG funds but received \$2,000 in Goleta City Grant funds.
 - **Safe Parking Shelter and Rapid Re-Housing Program (\$6,447)** - New Beginning Counseling Center (NBCC) operates this program which provides safe shelter for vehicular homeless persons in Goleta. The program also provides rapid rehousing, case management, housing navigation and housing retention services and financial assistance. Due to the pandemic, there has been a recent increase in demand for services and safe parking in the community. NBCC received \$7,218 in CDBG funds, but no Goleta City Grant funds.
- **Low-Income Individual Assistance (\$10,000)** – This would fund the United Way's program to provide support to individuals and families to secure basic needs (e.g., food, housing, medication), childcare/ educational support, and provide needed services to those who have been impacted by loss of a job/wages due to COVID-19. This program received a prior CDBG-CV award of \$42,676 in May.

The Committee also recommended that \$40,000 go to the Legal Aid Foundation for free legal advice or representation to low-income Goleta tenants, or residents on housing issues and tenant rights. Unfortunately, Legal Aid has since notified City staff that it does not have the ability or resources to provide additional services to Goleta residents, even with additional funding. At this point there is not time to reconvene the Committee. Staff is recommending that this \$40,000 be allocated to Planning & Administration of the CDBG-CV Program. As with regular CDBG funding, the City may take up to 20% of the CDBG-CV allocation for Planning & Administration (P&A). No P&A funding was taken from the initial allocation in May. The total CDBG-CV funding for the City at this point is \$401,643. An allocation of \$40,000 is less than 10% of the total the City is receiving.

The CDBG-CV program has taken a significant amount of staff time to implement (learning many new federal rules and regulations that apply, preparing Action Plan Amendments, setting up new activities in the federal IDIS online system, working with sub-recipients on contracts and future monitoring, coordinating with multiple entities on the establishment of the new rental assistance program, etc.). The use of \$40,000 for P&A would absorb these costs, which would otherwise be paid out of the City's General Fund. Funding P&A at \$40,000 still ensures that over 90% go to the provision of critical services. Staff feels this would be the best use of this funding.

Summary of Recommendations

Emergency Rental Assistance Program (Homelessness Prevention Program)	\$190,000
Healthy Senior Lunch Program	\$12,500
Emergency Shelter, Transitional Housing for Homeless Families	\$10,000
Safe Parking Shelter and Rapid Re-Housing Program (New Beginnings)	\$6,447
Low-Income Individual Assistance	\$10,000
CDBG-CV Program Planning & Administration	\$40,000

All input received at this public hearing, including City Council's direction regarding funding allocations and any additional changes for the 2019-2020 Amended Action Plan will be incorporated into the document prior to submitting to HUD.

FISCAL IMPACTS:

The costs for staff time spent on administration of the CDBG program will be funded in part by the CDBG award received by the City. For the current fiscal year (2019-2020), the City received up to \$44,507 for administrative costs. However, given the demands of the CDBG-CV program, a significant part of staff time to implement this program will be charged to the City's General Fund if the City Council does not approve the proposed \$40,000 in CDBG-CV funding for Planning & Administration. If this allocation is approved, CDBG-CV funding for staff time will be transferred to the City's General Fund via account number 402-60-6300-59000 to cover program-related costs.

In addition, the remainder of the City's proposed use of the CDBG-CV funding (\$228,947) will be put in account number 402-60-6300-54012, CDBG Support to Other Agencies – Grants. The following table summarizes the recommended budget

adjustments to account for the additional CDBG-CV funding.

Recommended Budget Adjustments

Fund Type	Account	Account Name	Appropriation Requested
Revenues			
CDBG	402-80-8500-44600	Grant Proceeds	\$268,947
General Fund	101-80-8500-49001	Transfers In from CDBG	\$40,000
Expenditures			
CDBG	402-60-6300-59000	Transfers Out	\$40,000
CDBG	402-60-6300-54012	CDBG Support to Other Agencies – Grants	\$228,947

ALTERNATIVES:

The City Council may direct staff to make changes to any of the recommended uses of the CDBG-CV funding. Staff does not recommend delaying submittal of the Action Plan Amendment so as not to put the City at risk of losing its allocation and impacting the various programs, services, and projects proposed for funding through this grant.

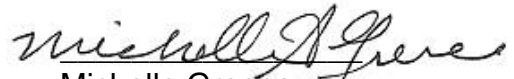
Reviewed By:

Legal Review By:

Approved By:


Kristine Schmidt
Assistant City Manager


Michael Jenkins
City Attorney


Michelle Greene
City Manager

ATTACHMENT:

1. 2019-2020 Action Plan Amendment

Attachment 1

2019-2020 CDBG ACTION PLAN SUBSTANTIAL AMENDMENT No. 2

City of Goleta

2019-2020 CDBG ACTION PLAN

SUBSTANTIAL AMENDMENT No. 2

**Addition of Community Development Block Grant – CARES Act
(CDBG-CV) Allocation**

DRAFT FOR PUBLIC COMMENT PERIOD

October 30 – November 4, 2020

**City of Goleta
Neighborhood Services and Public Safety Department
130 Cremona Drive
Goleta, CA 93117**

October 2020



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Table of Contents

EXECUTIVE SUMMARY	4
PROCESS	5
EXPECTED RESOURCES – 91.220(c)(1,2).....	6
ANNUAL GOALS AND OBJECTIVES – 91.220(c)(3)	7
PROJECTS – 91.220(d).....	8

Executive Summary

Background

Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the President signed it on March 27, 2020 authorizing \$2.2 trillion in a variety of stimulus measures to prevent, prepare for, and respond to the COVID-19 pandemic. The law includes a special allocation of the Community Development Block Grant (CDBG-CV) to enable communities to effectively address the impact of COVID-19 on their communities, especially low- and moderate-income residents. The City of Goleta received or will receive the following grants from HUD under the CARES Act:

CDBG-CV (awarded May 2020)	\$132,696
CDBG-CV (awarded September 2020)	\$268,947

These funds are separate and distinct from the City's regular CDBG funds. As of April 30, 2020, HUD continues to release guidance for these programs containing modified program requirements. Subject to the CARES Act and emerging policy from HUD, the City Council is responsible for determining how CDBG-CV funds will be used to prevent, prepare and respond to the COVID-19 virus. An amendment to the 20019-2010 CDBG Program Year was processed in May 2020 for the first round of CDBG-CV funding. That amendment was approved by the City Council after the required five day public review period, and included the following activities for use of the \$132,696 in initial CDBG-CV funding:

Nonprofit Assistance:	\$90,000
Low-Income Individual Assistance:	\$42,696
Program Administration:	\$0

Via a letter from HUD dated September 11, 2020, the City learned it would be receiving an additional CDBG-CV award in the amount of \$268,947 for use in assisting people in response to the COVID-19 virus pandemic. In consultation with key City departments and partners serving the needs of low- and moderate-income persons in the community, this submission to the City Council requests approval to invest this CARES Act funding for the CDBG-CV projects listed below:

Emergency Rental Assistance Program:	\$190,000
Low-Income Individual Assistance:	\$10,000
Health Senior Lunch Program	\$12,500
Emergency Shelter, Transitional Housing and Wrap-Around Services for Homeless Families	\$10,000
Safe Parking Shelter and Rapid Rehousing Program (for the Vehicular Homeless)	\$6,447
Planning and Administration of CDBG-CV Program	\$40,000 (<10% of total allocation)
Total CDBG-CV Award (September 2020)	\$268,947
Total CDBG-CV Allocation (May + September):	\$401,643

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 and the authority to use virtual public hearings to fulfill applicable public hearing 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 Goleta requested the use of these waivers on April 16, 2020 and received approval from HUD on April 21, 2020 to utilize them.

As such, the City of Goleta conducted a 5-day review period for the prior substantial amendment (from May 15 – May 19, 2020), and conducted a virtual public hearing for that amendment as part of the May 19, 2020 City Council meeting. The City is once again conducting a 5-day public review period for this substantial amendment (from October 30 – November 4, 2020), and will be conducting a virtual public hearing for this amendment as part of the November 5, 2020 City Council meeting.

To encourage review and comment on the proposed activities, the City of Goleta published notices advertising the substantial amendment in *The Independent* on October 29, 2020, and via the City's public outreach channels including, social media and e-news bulletin. The City also posted this amendment on the City's website for review and comment.

To ensure reasonable participation in the public hearing, the meeting will be broadcast live on Channel 19, as well as on the City's website. Additionally, residents can listen to the public hearing via teleconference. Residents can submit comments via email or mail during the public review period. Additionally, residents can submit comments during the public hearing either by emailing questions to the City Clerk (dlopez@cityofgoleta.org) no later than 12:00 p.m. on November 4, 2020 or by calling into the City Council meeting and providing comments when prompted by the City Clerk.

Sort Order	Activity	Target Population	Summary	Summary of Comments Received
1.	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 this Substantial Amendment to the 2019 Action Plan on November 5, 2020.	(to be completed after public hearing)
2.	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 October 30 – November 4, 2020	(to be completed at close of public comment period)

Table 1 – Resident Engagement

Expected Resources – 91.220(c)(1,2)

Introduction

The City's CDBG allocation for program year 2019-2020 was \$222,728 and for the initial special allocation of CDBG-CV resources, the City received \$132,696. The City now anticipates it will receive an additional CDBG-CV allocation of \$268,947 for a total CDBG-CV allocation of \$401,643. If HUD authorizes additional resources, the City will further amend this Action Plan.

Anticipated Resources

Program	Source of Funds	Use of Funds	CARES Act Allocation	Narrative Description
CDBG-CV	Public-Federal	<ul style="list-style-type: none">• Economic Development• Public Services	1) \$132,696 2) \$268,947 Total: \$401,643	CDBG activities to address the impact of COVID-19 in Goleta

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 Neighborhood Services and Public Safety 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. The City has also worked with local non-profits that provide public services to low-income people and the homeless to determine where funds are needed.

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

To allocate the CDBG-CV program, the City of Goleta has established one new goal 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	2022	Affordable Housing; Non-Housing Community Development	Citywide	COVID-19 Impact	\$401,643	___ households; ___ businesses; ___ persons

Table 3 – Annual Goals

Projects – 91.220(d)

Introduction

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

Projects

#	Project Name
1	Program Administration
2	Nonprofit Assistance
3	Low-Income Resident Individual Assistance
4	Public Services for Low- to Moderate-Income Clientele
5	Emergency Housing and/or Services for the Homeless

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 and public service partners serving low- and moderate-income residents of Goleta to identify critical needs resulting from COVID-19 within the city.

Project Summary Information

1	Project Name	CDBG-CV Program Administration
	Target Area	Citywide
	Goals Supported	COVID-19 Response
	Needs Addressed	COVID-19 Impacts
	Funding	CDBG-CV: \$40,000
	Description	These monies will be used for overall administration of the CDBG-CV Program including: completion of Action Plan Amendments, 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 projects and compliance with HUD reporting requirements, and sub-recipient monitoring. Eligibility of this activity is based on Section 105(a)(13) of HUD's regulation.
	Target Date	12/31/2021
	Estimate the number and type of families that will benefit from the proposed activities	n/a
	Location Description	Activities will be managed from City offices or remotely.
	Planned Activities	Planning and Administration of the CDBG-CV Program.

2	Project Name	Nonprofit Assistance
	Target Area	Citywide
	Goals Supported	COVID-19 Response
	Needs Addressed	COVID-19 Impact
	Funding	CDBG-CV: \$90,000
	Description	Through this program, the City will distribute financial resources on a rolling basis for nonprofits serving the most vulnerable populations.
	Target Date	12/31/2021
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that nine nonprofit agencies service thousands of Goleta residents will be assisted.
	Location Description	Citywide
	Planned Activities	Through the Santa Barbara Foundation, a nonprofit foundation partner, nonprofits serving Goleta residents can apply for grants of a minimum of \$10,000. The three qualifying nonprofit categories are: meeting emergency needs; adapting services; organizational support.
3	Project Name	Low-Income Individual Assistance
	Target Area	Citywide
	Goals Supported	COVID-19 Response
	Needs Addressed	COVID-19 Impact
	Funding	CDBG-CV: \$52,696
	Description	This project will provide grant support to United Way of Santa Barbara County to provide free services to individuals and families who lost income as a result of COVID-19.
	Target Date	12/31/2021
	Estimate the number and type of families that will benefit from the proposed activities	A minimum of 43 Goleta individuals/families assisted.
	Location Description	Citywide

Draft Substantial Amendment – For Public Review

	Planned Activities	Provide support to individuals and families to secure basic needs (e.g., food, housing, medication), childcare/educational support, and provide needed services to those who have been impacted by loss of a job/wages due to COVID-19 social distancing mandates.
4	Project Name	Safe Parking Shelter and Rapid Re-Housing Program
	Target Area	Citywide - Low- to Mod-Income Population
	Goals Supported	Public Services
	Needs Addressed	Homelessness
	Funding	\$7,218 in CDBG and \$6,447 in CDBG-CV funding; Total: \$13,665
	Description	Funding supports the Safe Parking Shelter and Rapid Re-Housing Program, managed by the New Beginnings Counseling Center. This program provides rapid rehousing case management and outreach to the vehicular homeless population, and safe overnight parking shelter to individuals and families - generally the working poor - living in their vehicles in the City of Goleta.
	Target Date	12/31/2021
	Estimate the number and type of families that will benefit from the proposed activities	This program is estimated to serve 50 Goleta residents living in their vehicles.
	Location Description	The Safe Parking Shelter and Rapid Re-Housing Program provides safe shelter for the vehicular homeless in monitored overnight Goleta parking lots.
	Planned Activities	New Beginnings will operate a Safe Parking Shelter and Rapid Re-Housing Program aiming to serve 50 persons living in Goleta using \$7,218 in CDBG public service funding and \$6,447 in CDBG-CV funding.
5	Project Name	Healthy Senior Lunch Program
	Target Area	Old Town Goleta Citywide - Low- to Mod-Income Population
	Goals Supported	Public Services
	Needs Addressed	Non-Community Housing Development
	Funding	\$5,671 in CDBG and \$12,500 in CDBG-CV funding; Total: \$18,171

Description	Healthy Senior Lunch, managed by CommUnify (formerly the Community Action Commission), provides hot, nutritious meals each week day to low-income and homebound senior citizens at the Goleta Valley Community Center and through deliveries to home-bound seniors in order to ensure their nutritional health, increase their social interaction, and help them maintain independence. Home deliveries have significantly increased due to the pandemic and closure of the Community Center.
Target Date	12/31/2021
Estimate the number and type of families that will benefit from the proposed activities	Approximately 150 seniors in Goleta are expected to benefit from the proposed activity.
Location Description	This activity will take place at the Goleta Valley Community Center located at 5679 Hollister Ave in Goleta and through a home-delivery program.
Planned Activities	The Community Action Commission will provide the Healthy Senior Lunch Program to 150 seniors in the heart of Old Town Goleta with \$5,671 in CDBG and \$12,500 in CDBG-CV funding.

6	Project Name	Transition House
	Target Area	Citywide - Low- to Mod-Income Population
	Goals Supported	Public Services
	Needs Addressed	Homelessness
	Funding	\$10,000 in CDBG-CV
	Description	Transition House is the only homeless shelter for families with children in southern Santa Barbara County. It has a history of success, placing over 70 percent of its shelter families into permanent housing. Transition House's program is distinct because it requires participation in a full array of anti-poverty support services including but not limited to: Trauma informed case management focusing on financial literacy; Career counseling with an employment specialist aimed at increasing income; On-site classes in parenting, employment soft skills, computer proficiency; and more,
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	36
	Location Description	425 E. Cota Street, Santa Barbara, CA 93101

	Planned Activities	Homeless shelter for families with children and wrap-around support services and case management with transition to permanent housing.
7	Project Name	Emergency Rental Assistance Program
	Target Area	Citywide - Low- to Mod-Income Population
	Goals Supported	Public Services
	Needs Addressed	Homelessness Prevention Non-Housing Community Development
	Funding	\$190,000 in CDBG-CV
	Description	Rental assistance program that will provide \$5,000 maximum grants to renters within Goleta city limits who have had their income reduced directly due to the impacts of COVID-19. Grants are directed at assisting renters pay current, past rent due or upcoming rent due.
	Target Date	12/31/2021
	Estimate the number and type of families that will benefit from the proposed activities	30-50 low-income families will be assisted
	Location Description	Citywide
	Planned Activities	Low-income families earning up to 80% AMI who have had their income reduced because of the COVID-19 pandemic will be able to apply for grants up to \$5,000 to pay for rent and rent-related expenses such as utilities.