

CITY OF YUBA CITY
STAFF REPORT

Date: May 4, 2021

To: Honorable Mayor & Members of the City Council

From: Development Services Department

Presentation By: Benjamin Moody, Development Services Director

Summary:

Subject: Community Development Block Grant – CARES Act Funding

Recommendation:

- A. Authorize staff to submit the required documentation to the Department of Housing and Urban Development (HUD), related to CDBG-CV funding.
- B. Approve the Substantial Amendment to the 2020-2021 Annual Action Plan to reflect the addition of \$824,716 in CDBG funds received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. CDBG-CV.
- C. Approve an amendment to the City's Citizen Participation Plan.

Fiscal Impact: \$824,716 CDBG-CV Funds referred to as CDBG-CV1 and CDBG-CV3

Purpose:

Allocate Federal CARES Act (CDBG-CV) funding to prevent, prepare for, and respond to the spread of COVID19.

Background:

The City of Yuba City is an entitlement jurisdiction receiving a federal formula grant from the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grant (CDBG) funds. The intent of the CDBG funds is to provide decent housing, a suitable living environment, and to expand economic opportunities primarily for low-and-moderate income persons.

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES) to support preparation for and response to the community impacts of the COVID-19 pandemic and identified additional funding for the City of Yuba City through the CDBG program. The City has received two allocations, referred to as CDBG-CV1 and CDBG-CV3, which total \$824,716. In order to "allocate" these dollars, the City must identify how these funds will be spent within the community within the current year Annual Action Plan.

Prior to releasing funds, HUD requires each entitlement jurisdiction to develop and submit to HUD an Annual Action Plan. The 2020-2021 Action Plan is the First-Year Action Plan in the 2020-2025 Consolidated Plan. Action Plans are required to be consistent with the goals and objectives established in the five-year "Consolidated Plan" that outlines a strategy for addressing the City's

housing and community development needs of low and moderate-income residents.

In order to complete this action, the City must follow its Citizen Participation Plan (CPP) which guides the process and ensure community input. The CPP also provides the requirement for public process when a “substantial amendment” to the AAP is proposed – which is being triggered by the large number of CDBG-CV monies being allocated. The City’s current CPP calls for a 30-day public comment period on any substantial amendment; however, due to COVID-19 HUD has issued guidance that waives the CPP requirements for entitlement recipients, provided that (1) no fewer than five days are provided for public comments and that (2) reasonable notice and the opportunity to comment is provided. This City has requested a waiver for this process from HUD and will be amending its CPP to follow this guidance.

Eligible Activities:

Per HUD guidelines, CDBG funded activities must benefit at least 70 percent of low-income persons, and must also address one of three national objectives:

1. Low-income benefit
2. Slums or blight
3. A particularly urgent community development need

While local agencies have discretion on how funds are allocated, activities must generally include:

- Housing activities
- Real property improvements (acquisition, disposition, clearance, rehabilitation)
- Public facilities and public improvements
- Economic development
- Public services (no cap on these CDBG-CV funds)
- Program administration (limited to a maximum of 20 percent of annual CDBG funding)

In addition to the requirements listed above, CDBG-CV funds must show a direct nexus to preparing for, preventing or responding to the Coronavirus pandemic.

Analysis:

In order to determine the best use of these funds, city staff engaged the community and non-profit organizations that might be interested in utilizing these dollars. On March 2, 2021 a public meeting was held virtually that provided an overview of these funds, answered questions and outlined the process for applying for these monies (Presentation provided as Attachment 2 to this report). Organizations were given two weeks to provide staff with a Letter of Intent that included a summary of the following:

- Defined their organization
- Description of their proposed activity / project
- Description of the nexus to COVID-19
- Description of how the activity will benefit the City and target populations
- Proposed budget
- Proposed schedule

The call for projects produced a total of 27 applications/letters of intent. Of these 27, 19 were submitted from internal/city departments and 8 were submitted from non-profit organizations within the community. Staff reviewed all applications to ensure eligibility and CDBG criteria was met. After

this review, it was concluded that 11 of the proposals would not be eligible under the CDBG-CV program requirements.

The remaining 16 applications were summarized and presented to the Ad Hoc Committee on April 1, 2021 for further discussion and funding recommendations. The funding recommendations from this Committee meeting have been attached to this staff report as Attachment 1.

Substantial Amendment to 2020-2021 AAP:

Attachment 1 depicts the proposed activities and funding levels proposed for the additional \$824,716 CDBG-CV funds. All proposed activities are intended to address the community development and public service needs of low- and moderate-income persons in the City and all proposed activities meet a national objective identified by HUD. Additionally, all proposed activities are aimed at preparing for, responding to or preventing the coronavirus.

Fiscal Impact:

- \$824,716 of CDBG-CV funds referred to as CDBG-CV1 and CDBG-CV3.

Alternatives:

Do not adopt approve the Substantial Amendment to the 2020-2021 AAP with recommended projects for funding and provide staff with further direction on how to allocate CDBG-CV funds.

Recommendation:

Approve the following:

- A. Authorize staff to submit the required documentation to the Department of Housing and Urban Development (HUD), related to CDBG-CV funding.
- B. Approving the Substantial Amendment to the 2020-2021 Annual Action Plan to reflect the addition of \$824,716 in CDBG funds received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- C. Approving an amendment to the City's Citizen Participation Plan

Attachments:

1. Ad Hoc Recommendations for Funding
2. Public Meeting Presentation from March 2, 2021
3. Citizen Participation Plan – with additional language included

Prepared By:

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Development Services Director

Submitted By:

[/s/ Dave Vaughn](#)
Dave Vaughn
City Manager

Reviewed By:

Finance
City Attorney

[SM](#)
[SLC by email](#)

ATTACHMENT 1

City of Yuba City – Ad Hoc Committee Meeting April 1, 2021

CDBG-CV Potential Projects and Programs

Total CDBG-CV Funds Available: \$824,716

City may take up 5% for administration . Balance: \$783,480

| Organization | Project Title | Category | Funds Requested | Brief Description | Eligible for CV Funds |
|---|----------------------------------|-----------------|-----------------|--|--|
| Parks Department | Senior Center Building Repairs | Public Facility | \$65,000 | Funds to make structural repairs due to water intrusion, dry rot, stucco, and HVAC for better ventilation to prevent COVID-19 | Yes But only HVAC |
| Parks Department | Mobile Recreation Programs | Public Service | \$70,000 | Offer mobile recreational programs at low-income parks where children / youth can come and utilize equipment and socially distance | Yes If parks are in LMI areas |
| City of Yuba City | Mortgage Assistance | Public Service | \$155,369 | Providing mortgage assistance to qualified residents who are behind in mortgage – no more than 90 days of assistance | Yes But very administrative heavy and DOB/ERAP issue |
| Fire Department | Facility Upgrade | Public Facility | \$69,723 | COVID Decontamination and PPE Facility Upgrade | Yes LMI Fire Stations Only / Clear COVID Nexus |
| Fire Department | Protective Equipment | Public Facility | \$141,238 | Purchasing additional PPE's to assist firefighters when responding during pandemics. | Yes But only at certain stations. |
| | | | \$501,330 | | |
| Regional Emergency Shelter Team (REST) | Emergency Winter Shelter Program | Public Service | \$10,000 | Funding for additional days/nights the emergency winter shelter will be open and to cover the COVID-19 costs that have increased operation costs. | Yes |
| FREED | Dine at Home Program | Public Service | \$218,000 | Dine at Home program focuses on providing meal vouchers to disabled individuals and seniors who are sheltering in place. | Yes |
| Playzeum | Play for All Initiative | Public Service | \$34,150 | Scholarships for camps and classes to low-moderate-income families | Yes |
| Adventist Health | Food Security Program | Public Service | \$20,000 | Food Security Program provides food deliveries for those at an increased risk to COVID-19, i.e. homeless, seniors and underlying health conditions | Yes |
| | | | \$282,150 | | |

General Admin

\$ 41,236.00

\$783,480

ATTACHMENT 2



CDBG-CV (CARES Act)

City of Yuba City Public Meeting – March 2, 2020



What is the CDBG Program?

- Community Development Block Grant (CDBG) Program
- Established through the Housing and Community Development Act of 1974, to streamline federal community development programs
- Purpose: to provide decent housing, a suitable living environment, and expanding economic opportunities, principally for low- and moderate- income individuals and families
- Two Programs under CDBG – Entitlement vs Non-Entitlement Program
- Due to COVID-19 Additional funds have been awarded to the City through the CARES Act (CDBG-CV)

CDBG Funding

CARES ACT CDBG-CV

- On March 27, 2020 Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act
- CARES Act included \$5 billion in supplemental CDBG Funding to States/communities across the country
- Funds are provided as grants **to prevent, prepare for, and respond to coronavirus**
- The City of Yuba City received two allocations which total \$824,716

Yuba City CDBG-CV Funding



The City must amend their current action plan to include these monies and identify what projects/programs will utilize these funds



Engaging the community to determine highest needs for these funds



Interested organizations will be asked to submit a Letter of Intent



Eligible Activities (CDBG-CV)

- Eligible activities:
 - Public Services
 - Public Facilities
 - Economic Development

Remember, all activities must have a direct nexus to preventing, preparing for or responding to the coronavirus

Activities: Public Services

- CDBG-CV funds may be used to pay for labor, supplies and material for an eligible public service, which may include:
 - Homeless Services
 - Vaccine Distribution
 - Health Services
 - Meals on Wheels
 - Food Distribution
 - Subsistence Payment Program
 - And more.....

Activities: Public Facilities

- Facility improvements related to COVID-19 healthcare and homeless housing needs.
 - Temporary shelters for testing or vaccines
 - Improvements at a homeless shelter to promote social distancing and quarantine for individuals
 - Improvement at a homeless shelter to increase non-congregate capacity

Activities: Economic Development

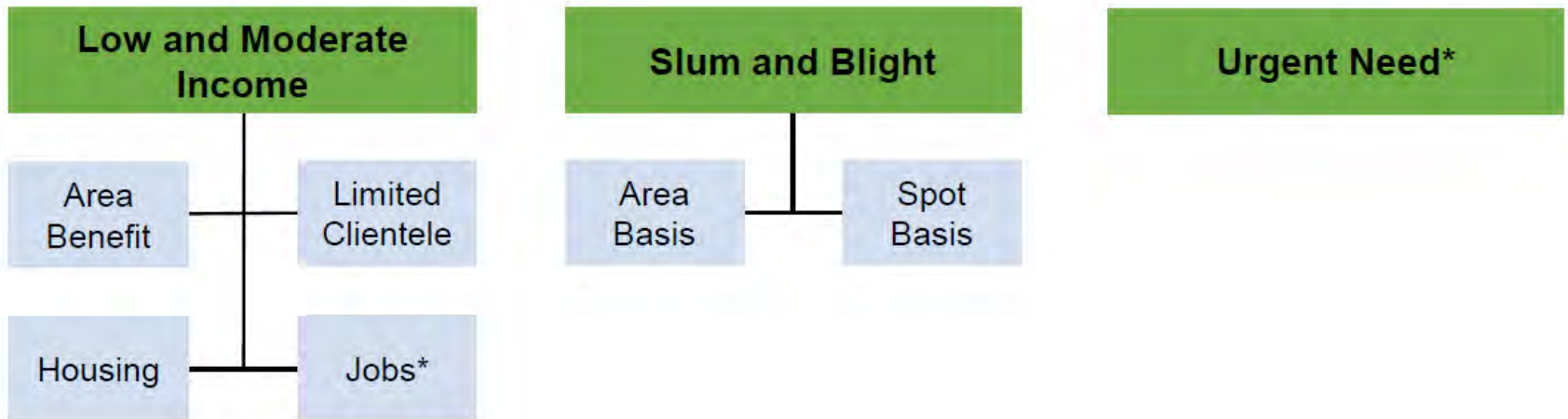
- Business Assistance / Micro Assistance Programs
- Focus on providing working capital to businesses in the forms of grants or loans for creating or retaining jobs
- Eligible uses of funds include payroll, rent, utilities, fixtures/equipment, etc.



Requirements (CDBG-CV)

National objective:

All CDBG funds must meet national objectives to be eligible. The CDBG -CV funds are required to meet the following:





Duplication of Benefits (DOB)

| What is DOB? | Grantee Requirements | Recommendations |
|---|---|---|
| <p>Duplication of Benefits occurs when assistance is provided to a person/ entity to address losses and that person/ entity receives assistance for the same costs/ losses from other funding sources</p> | <ul style="list-style-type: none">• Develop and maintain adequate procedures to prevent a duplication of benefits that address (individually or collectively) each activity or program• Procedures must include:<ul style="list-style-type: none">• Requirement that persons/ entities receiving CDBG-CV assistance must repay duplicative assistance• Method to assess whether CDBG-CV funds will duplicate financial assistance that is already received or likely to be received by acting reasonably to evaluate need and the resources available | <ul style="list-style-type: none">• Maintain documentation of other CARES Act assistance, including eligible activities and availability of assistance to determine risk of duplication• Use CDBG-CV assistance to address unmet needs or provide unduplicated assistance, with special attention to needs of low- and moderate-income persons |



Next Steps: How to apply

For organization interested, please submit a Letter of Intent that includes the following:

- Who you are and others you may partner with
- Proposed program / project
 - Who, What, When, Why, Where, How
- Description of the need you are serving that clearly shows a nexus to COVID-19
- Description of how your proposal will benefit the City and your target populations
- Proposed Budget with requested grant amount
- Proposed Schedule
- DUNS Number



Next Steps: How to Apply

- Letter of Intent should be no more than 4 pages
- Please submit electronically to Jaspreet Kaur at jkaur@yubacity.net
- Please submit by: **4:00 PM on March 16, 2021**



Next Steps: Award

- Internal review committee
- Clarification requests
- Recommendation to Council
 - Anticipate review at the April 20, 2021 Meeting



The background features a dark teal color with a pattern of white and grey speech bubbles of various sizes and orientations. In the lower half, there is a dense crowd of stylized human hands and forearms, each with a different colored sleeve (red, green, purple, yellow, etc.), all raised in the air. A vertical white line is positioned on the left side of the slide, separating the 'QUESTIONS' text from the 'Thank you' text.

QUESTIONS

Thank you for your participation!

ATTACHMENT 3



City of Yuba City

Citizen Participation Plan

Revised May, 2020

**City of Yuba City
Development Services Department
1201 Civic Center Blvd.
Yuba City CA 95993
(530)822-4700**

City of Yuba City

Citizen Participation Plan

Introduction

As required by federal regulations from the U.S. Department of Housing and Urban Development (HUD), citizens must be provided with a reasonable opportunity to participate in an advisory role in planning, implementing and assessing how Community Development Block Grant funds will be used. The Citizen Participation Plan sets forth policies and procedures to provide for and encourage participation in the development, implementation, and assessment of activities proposed in the Consolidated Plan, Action Plan, Substantial Amendments to the Consolidated Plan/Action Plan and the Consolidated Annual Performance Evaluation (CAPER).

Encouragement of Citizen Participation

The primary purpose of the Community Development Block Grant Program is to improve communities by providing decent housing, a suitable living environment, and growing economic opportunities, principally for low-income persons. Citizen participation is encouraged by all city residents, especially by individuals of low and moderate-income at all stages of the process, including needs and activities determination as well as funding allocations. The City makes an effort to ensure that persons with special needs and organizations and agencies that represent persons with special needs have an opportunity to participate in the process.

Citizen Comment

Prior to the adoption of the Consolidated Plan, Annual Action Plan or a Substantial Amendment to the Consolidated Plan/Action Plan, the City will make the draft documents available to citizens, public agencies and other interested parties, for a comment period of no less than 30 days. The following information will be identified in a notice that will be published in the local newspaper of general circulation: the amount of assistance the City expects to receive and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income, the dates of the public comment period, and location of where draft documents may be obtained for review.

The City will make the draft CAPER available to citizens, public agencies and other interested parties for a comment period of no less than 15 days.

Copies of the draft and final Consolidated Plan/Annual Action Plans and CAPER will be available for review on the City's Website and at the Yuba City Hall in the Development Services Department, 1201 Civic Center Blvd., Yuba City and at the Main Branch of the Sutter County Library, 750 Forbes Avenue, Yuba City. Copies of the document(s) upon request will be available a at the cost of reproduction.

The City will consider any comments by individuals or groups received in writing or made orally at public hearings and public meetings. A summary of the written and oral comments received will be included in the Consolidated Plan, Action Plan, Substantial Amendments, or CAPER.

Public Hearings and Meetings

In accordance with HUD regulations, the City will hold at least two public hearings each year to obtain citizen input and respond to proposals and questions. Hearings will be held at convenient times and locations.

Typically one public hearing will be held before a regularly-scheduled City Council meeting in the spring to solicit public comment on the draft Consolidated Plan/Annual Action Plan. The public hearing will be noticed via a special hearing notice in a local newspaper of general circulation at least 15 days prior to the date of the meeting.

A second public hearing will be held before a regularly-scheduled City Council meeting in the fall to solicit public comment on the CAPER prior to submission to HUD. The public hearing will be noticed via a special hearing notice in a local newspaper of general circulation at least 15 days prior to the date of the meeting.

A contact name and telephone number will be provided in the hearing notice to allow interested parties to ask questions or to make requests for special accommodations. If a significant number of non-English speaking residents are expected to attend, the City will seek interpreter services from appropriate individuals or service organizations to provide such services.

Amendments to the Consolidated Plan/Action Plan

The City considers a substantial change to the Consolidated Plan/Annual Action Plan to be:

- A change in funding from one eligible activity to another in an amount that exceeds 15% of the total annual grant allocation plus program income.
- Funding of an activity type not described in the Annual Action Plan.
- Changing the priorities contained in the Five-year Strategic Plan.
- Increasing or reducing the amount allocated to an activity by more than 50 percent.
- A change in the purpose, location, scope or beneficiaries of an activity.

The City will make the draft Substantial Amendment available to citizens, public agencies and other interested parties for a comment period of no less than 30 days. The Substantial Amendment will be noticed as described in the Citizen Comments section of this Plan.

Technical Assistance

Technical Assistance, to the extent feasible, will be provided to organizations or persons of low and moderate income (and other special needs) that request such assistance in developing proposals for Community Development Block Grant funding.

The City will also hold at least one meeting for community agencies applying for City funding on or near the time of preparation of the Annual Action Plan to explain eligible activities, the application processes, and answer any questions about the Community Development Block Grant Program or application process.

Citizen Complaints

The City of Yuba City shall accept written complaints and provide a written response to any written citizen complaint within a reasonable period of time, not to exceed 15 working days, when the complaint concerns the Consolidated Plan, Annual Action Plan, Substantial Amendment to the Consolidated Plan/Annual Action Plan or the CAPER.

Complaint, comments and questions should be directed to:

Community Development Block Grant – Program Administrator
Development Services Department
City of Yuba City
1201 Civic Center Blvd.
Yuba City, CA 95993

Anti-Displacement

If, as a result of an activity, any residential displacement occurs, the City will develop an Anti-Displacement and Relocation Plan in connection with the activity in accordance with federal regulations. The City will comply with anti-displacement and relocation requirements of the Uniform Relocation Act and the Housing and Community Development Act of 1974, as amended, and implementing regulations of 24 CFR Part 42.

Declared Emergency – Expedited Process

In the event of a declared emergency (as proclaimed by the Mayor, Governor or President of the United States), it may be necessary for the City to amend its

Citizen Participation Plan
May 2020

Consolidated Plan and/or Action Plan to allocate emergency grant funding to provide an urgent response to address emergency needs. In the case of a declared emergency as long as it does not conflict with HUD Regulations and/or is in accordance with a HUD waiver, the City may reduce its document review and comment period to no less than 5 days. Depending on the type of emergency, the City may hold public meetings or hearings virtually. Notices for virtual meetings shall include information on how to submit public comments. The City may also reduce the noticing period for a public hearing or public document release to no less than 48 hours and would limit notice to no less than one median, such as the City's website, social media, or newspaper, depending on the communication methods available and most likely to have the broadest reach to residents. The City may also reduce the number of public meetings or public hearings to just one public hearing in order to expeditiously move forward with funding that would provide relief for an urgent response to address emergency needs.

On March 31, 2020, in conjunction with the COVID-19 Pandemic HUD issued a memorandum regarding the Availability of Waivers for Community Planning and Development (CPD) Grant Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19. The HUD Waivers include a waiver to allow for a no less than 5-day review and comment period for substantial amendments and a waiver allowing the grantee to determine what constitutes reasonable notice and opportunity to comment given the circumstances.