

NOTICE OF PUBLIC HEARING
CITY COUNCIL
CITY OF PALM SPRINGS

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
DRAFT 2021-2022 ANNUAL ACTION PLAN

NOTICE IS HEREBY GIVEN that the City Council of the City of Palm Springs, California, will hold a public hearing at its meeting of March 11, 2021. The City Council meeting begins at 5:30 p.m. Pursuant to Executive Order N-29-20, this meeting may be conducted by teleconference and there will be no in-person public access to the meeting location. View the City Council meeting live at the City's website at www.palmspringsca.gov/pstv, YouTube, or Channel 17 (Spectrum).

The purpose of this public meeting is to provide a forum for residents and interested organizations to express their views on development of the Fiscal Year 2021-2022 Action Plan. The principal purpose of the Annual Action Plan is to show how the City's Community Development Block Grant funding will be expended during the year in a way that addresses the needs, priorities and objectives contained in the City's 2020-2025 Consolidated Plan.

The Draft Annual Action Plan is being made available to the public for a 30-day comment period. A copy of the draft will be available online for examination and comment from March 15, 2021 to April 15, 2021, at:

<https://www.palmspringsca.gov/cdbgprogram>

PUBLIC COMMENT:

- Submit your public comment to the City Council electronically. Material may be emailed to: cityclerk@palmspringsca.gov. Transmittal prior to the start of the meeting is required. Any correspondence received during or after the meeting will be distributed to the City Council and retained for the official record.
- You may provide telephonic comments by calling the City Clerk at (760) 323-8204 by no later than 5:00 p.m. to be added to the public comment queue. At the appropriate time, a staff member will call you so that you may provide your public testimony to the City Council.
- Written comments can be made to the City Council by email at cityclerk@palmspringsca.gov or letter to:

Anthony J. Mejia, MMC, City Clerk
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

Si necesita ayuda con esta carta, porfavor [llame a la Ciudad de Palm Springs y puede hablar con Felipe Primera telefono 760-323-8245.

Anthony J. Mejia, MMC
City Clerk



City Council Staff Report

DATE: March 11, 2021 PUBLIC HEARING

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2021–2022 ANNUAL ACTION PLAN AND BUDGET PUBLIC HEARING

FROM: David H. Ready, City Manager

BY: Community & Economic Development Department

SUMMARY

This is the first of two public hearings for the 2021-2022 Annual Action Plan (AAP). The CDBG AAP is prepared by the City every year pursuant to requirements set forth by the Department of Housing and Urban Development (HUD), which mandate that units of government receiving federal housing and community development assistance must prepare an AAP as part of the implementation of the Five Year Consolidated Plan (ConPlan) which serves as the blueprint for community development activity in the City. A second public hearing will be scheduled for April 22, 2021, to complete the public review process and consider adoption of these items for submittal to HUD.

RECOMMENDATION:

- 1) Open the Public Hearing for public testimony;
- 2) Review the draft 2021-2022 CDBG Budget and Annual Action Plan, and provide direction to staff;
- 3) Schedule a Public Hearing for April 22, 2021, to approve and adopt the 2021-2022 CDBG Budget and Annual Action Plan.

BACKGROUND

On February 11, the City Council discussed potential uses for the 2021-2022 CDBG Funds. At this meeting the City Council was presented with potential Public Improvement and Capital Improvement, Public Service, and Rehabilitation projects which meet the City's 2020-2024 Consolidated Plan (ConPlan) goals as shown in **ATTACHMENT 1**.

It was initially estimated that the City would receive a CDBG allocation of \$450,000, the same amount of CDBG funds received last year. However, the City was informed that its allocation would be \$425,116 which is \$24,884 lower than estimated (**ATTACHMENT 2**).

In addition, staff has since received an updated quote from the Fair Housing Council of Riverside County which was \$48,000, \$3,000 higher than the estimate of \$45,000. Staff also identified \$115,300 of unexpended CDBG funds from prior years that may be re-programmed for use in FY21/22. These funds were previously allocated to administrative expenses and projects which were not fully utilized by prior sub-recipients over the past five years. Therefore, the total amount of funds to be allocated for FY21/22 AAP is \$540,416.

STAFF ANALYSIS:

Palm Springs is an “entitlement city”, meaning that it is a direct recipient of CDBG funds from the federal government. The CDBG Program was adopted by Congress forty-seven years ago to provide a flexible funding source for local governments to meet the community development needs of their low and moderate-income (Low/Mod) residents and was the first federal block grant. This direct grant from HUD enables entitlement units of governments to fund three National Objectives: benefiting Low/Mod persons; preventing or eliminating slums or blight; and, meeting urgent need.

Of the total amount of CDBG funds to be allocated for the 2021-2022 Fiscal Year (\$540,416), the Federal statute requires that at least 70% of the expenditures benefit Low/Mod persons. As an entitlement grantee, the City has and will continue to utilize these funds for neighborhood revitalization, preserving decent housing, expanding economic opportunities, and/or improving community facilities and services, principally to benefit Low/Mod persons. A map showing the City’s Low/Mod areas is provided in **ATTACHMENT 3**.

There are also statutory limitations on the percentage of CDBG funds that may be utilized for administrative purposes, at no more than 20% of the entitlement, and Public Services, at no more than 15% of the entitlement. The remaining funds are to be utilized for Public Facilities and Capital Improvements, and Housing Rehabilitation. The total funds recommended for 2021-2022, by eligibility category, are as follows:

Public Facilities and Capital Improvements	\$374,333
Public Services (9% - includes Fair Housing)	\$ 48,000
<u>Rehabilitation</u>	<u>\$ 10,000</u>
TOTAL PROGRAMMATIC FUNDS (80%)	\$432,333
ADMINISTRATION (20%)	\$108,083
TOTAL CDBG 2021–2022 FUNDING	\$540,416

2021-2022 ANNUAL ACTION PLAN RECOMMENDATIONS

In evaluating the capital projects to be undertaken by the City in furtherance of the ConPlan Goals, staff is recommending that the City Council allocate the full amount budgeted for Public Facilities and Improvements (\$374,333) for the Demuth Park Community Center Air Conditioning Project and Demuth Park Restroom Project as detailed below. In addition, recommendations for Public Services and Rehabilitation programs are also provided.

Public Facilities & Capital Improvements:

1. City of Palm Springs Public Works & Engineering – Demuth Park Community Center Air Conditioning Project. Last year this project received an allocation of CDBG funds in the amount of \$130,000. The total cost for this project is estimated to be \$400,000. To fully fund this project, \$270,000 more is needed.
2,704 Census Tract; 2,127 L/M 2,704 PS Residents Recommended: \$270,000
2. City of Palm Springs Public Works & Engineering – Demuth Park Restroom Project. Demuth Park is in need of new restrooms. Last year \$175,000 in CDBG funds was allocated for new restrooms at Demuth Park. The total cost for new restrooms is estimated to be \$400,000. \$225,000 is still required to fully fund this restroom project. This project will provide for the construction of a new facility to the East of the existing building and accessible from the adjacent parking lot. This will bring the new restrooms closer to the majority of park users and move it further away from the east Mesquite Avenue frontage. An existing two stall restroom will be demolished. It is recommended the remaining \$104,333 in CDBG funds for Public Facilities and Capital Improvements be allocated towards the new restrooms at Demuth Park.
2,704 Census Tract; 2,127 L/M 2,704 PS Residents Recommended: \$104,333

Public Services:

1. Fair Housing Council of Riverside County – Fair Housing Program: Under CDBG guidelines the City is required to provide its residents a fair housing program. Staff recommends working with the Fair Housing Council to provide comprehensive services which affirmatively address and promote fair housing rights and landlord/tenant services. These include anti-discrimination investigations, landlord/tenant mediation services, training and technical assistance, workshops and seminars, and housing discrimination audits and tests.
2,000 City-wide; 1,800 L/M; 2,000 PS Residents Recommended: \$48,000

Rehabilitation:

1. City of Palm Springs Community & Economic Development – Home Repair Program: For the past 35 years, the City has operated a Home Repair Program. This program assists very low-income homeowners with minor routine maintenance, emergency repairs and accessibility modifications at nominal costs, including other related health and safety code work. First-year participants receive standard

disaster preparedness items (i.e., hot water heater strapping). The annual \$1,500 grant excludes the first-year disaster preparedness items and any Code Enforcement abatement.
20 City-wide; 20 L/M; 20 PS Households Recommended: \$10,000

As the recommended allocation of funds for Public Services is for a mandatory program (Fair Housing), and funding recommended for Rehabilitation provides critical home repair services for very low-income homeowners at a relatively low level of funding, staff is recommending these not be changed.

After providing staff with direction, the anticipated next steps for moving forward would be as follows:

- March 15 to April 15 - 30 day public review of Fiscal Year 2021-2022 Annual Action Plan and Budget
- April 22 - Public Hearing #2 Council approval of Fiscal Year 2021-2022 Annual Action Plan and Budget
- April 26 - Submittal of Fiscal Year 2021-2022 Annual Action Plan and Budget to HUD for review and approval.
- July 1 - CDBG funds available for use (reimbursement basis).

ENVIRONMENTAL IMPACT:

The recommended action does not result in a “Project” as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a Project means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

FISCAL IMPACT:

This action is a pre-requisite to ensuring the City can receive its anticipated \$425,116 CDBG entitlement and reprogram \$115,300 of unexpended CDBG funds for a total CDBG budget of in the amount of \$540,416.

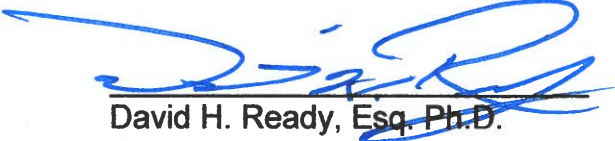
SUBMITTED:



Jay Virata, Director
Community & Economic Development



Marcus L. Fuller
Assistant City Manager



David H. Ready, Esq. Ph.D.
City Manager

ATTACHMENTS:

- 1. 2020-2024 ConPlan Goals
- 2. CDBG Allocation Letter
- 3. Low/Moderate Income Census Block Map

ATTACHMENT 1

2020-2024 ConPlan Goals

HOUSING GOALS

GOAL 1: REMOVE CONSTRAINTS THAT HINDER THE PRODUCTION AND CONSERVATION OF AFFORDABLE HOUSING UNITS AND ASSIST IN THE DEVELOPMENT OF HOUSING OPPORTUNITIES AND ACCESSIBILITY FOR ALL ECONOMIC LEVELS IN THE CITY.

GOAL 2: PROVIDE SUPPORT SERVICES FOR THE CITY'S RESIDENTS TO ENSURE THAT ALL HOUSING PROGRAMS ARE AVAILABLE WITHOUT DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, ANCESTRY, MARIITAL STATUS, AGE, HOUSEHOLD COMPOSITION, INCOME, SIZE, DISABILITY OR ANY OTHER ARBITRARY FACTOR.

HOMELESS GOALS

GOAL 1: SUPPORT OR PROVIDE FUNDING FOR PROGRAMS THAT OFFER SERVICES AND/OR SUPPORTIVE HOUSING TO ASSIST HOMELESS INDIVIDUALS AND/OR FAMILIES

NON-HOUSING GOALS

GOAL 1: ESTABLISH NEW AND/OR EXPANDED COLLABERATIONS WITH LOCAL SERVICE PROVIDERS ON PROJECTS AND PROGRAMS THAT REDUCE THE EFFECTS OF POVERTY AND SERVES SENIORS, AT-RISK YOUTH, SEVERELY DISABLED ADULTS, AND SPECIAL NEEDS POPULATIONS

NON-HOUSING COMMUNITY DEVELOPMENT GOALS

GOAL 1: PROVIDE PUBLIC FACILITY IMPROVEMENTS THROUGH DESIGN, ENERGY-EFFICIENCY, REHABILITATION AND NEW CONSTRUCTION

ECONOMIC DEVELOPMENT

GOAL 1: PROMOTE, MAINTAIN AND/OR EXPAND THE CITY'S ECONOMIC BASE THROUGH ECONOMIC AND EMPLOYMENT OPPORTUNITIES TO EXISTING LOCAL BUSINESSES AND PROSPECTIVE BUSINESSES

ATTACHMENT 2
CDBG Allocation Letter



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

February 25, 2021

The Honorable Christy Holstege
Mayor of Palm Springs
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262-6959

Dear Mayor Holstege:

I am pleased to inform you of your jurisdiction’s Fiscal Year (FY) 2021 allocations for the Office of Community Planning and Development’s (CPD) formula programs, which provide funding for housing, community and economic development activities, and assistance for low- and moderate-income persons and special needs populations across the country. Public Law 116-260 includes FY 2021 funding for these programs. Your jurisdiction’s FY 2021 available amounts are as follows:

Community Development Block Grant (CDBG)	\$425,116
Recover Housing Program (RHP)	\$ 0
HOME Investment Partnerships (HOME)	\$ 0
Housing Opportunities for Persons With AIDS (HOPWA)	\$ 0
Emergency Solutions Grant (ESG)	\$ 0

Individuals and families across the country are struggling in the face of four converging crises: the COVID-19 pandemic, the resulting economic crisis, climate change, and racial inequity. Through these bedrock programs, CPD seeks to develop strong communities by promoting integrated approaches that provide decent housing and suitable living environments while expanding economic opportunities for low- and moderate-income and special needs populations, including people living with HIV/AIDS. We urge grantees to strategically plan the disbursement of grant funds to provide relief for those affected by these converging crises and help move our country toward a robust recovery.

Because the funds are not appropriated by Congress, Housing Trust Fund (HTF) formula allocations will be announced at a later date under separate cover.

HUD continues to emphasize the importance of effective performance measurements in all its formula grant programs. Proper reporting in the Integrated Disbursement and Information System (IDIS) is critical to ensure grantees comply with program requirements and policies, provide demographic and income information about the persons that benefited from a community's activities, and participate in HUD-directed grantee monitoring. Your ongoing attention to ensuring complete and accurate reporting of performance measurement data continues to be an invaluable resource with regard to the impact of these formula grant programs.

The Office of Community Planning and Development is looking forward to working with you to promote simple steps that will enhance the performance of these critical programs and successfully meet the challenges that our communities face. If you or any member of your staff have questions, please contact your local CPD Office Director.

Sincerely,



James Arthur Jemison II
Principal Deputy Assistant Secretary
for Community Planning and Development

ATTACHMENT 3

Low / Moderate Income Census Block Map

