



STAFF REPORT

1/23/2024

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: ALISON DOBAY
COMMUNITY SERVICES MANAGER**

SUBJECT: PUBLIC HEARING - RESOLUTION APPROVING THE PROPOSED USE OF FISCAL YEAR (FY) 2024-25 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS

Summary:

Form of Notice: Notice was published in the Signal Tribune newspaper per Government Code Section 65091(a)(4) and posted in accordance with the Signal Hill Municipal Code Section 1.08.010 on Friday, January 5, 2024.

The City Council will conduct a public hearing and consider proposed uses for the City's FY 2024-25 Community Development Block Grant (CDBG) funding allocation. The Los Angeles County Development Authority (LACDA) estimates the City will receive approximately \$83,560 to use on CDBG projects and programs.

Staff is proposing to allocate the funding for two purposes: (1) continuation of the City's Food Distribution programs and (2) construction of Americans with Disabilities Act (ADA) Streets and Sidewalk Improvements. If approved, the City Council is required to adopt a resolution affirming the use of CDBG funds for the projects.

Strategic Plan Goal(s):

Goal No. 4 Infrastructure: Maintain and improve the City's physical infrastructure, water system, and recreational spaces.

Goal No. 5 High-Functioning Government: Strengthen internal communication, recruitment, retention, systems, and processes to increase the effectiveness and efficiency of City services.

Recommendation:

1. Adopt the following resolution, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING THE CITY'S PROPOSED COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS FOR FISCAL YEAR 2024-25

2. Approve the CDBG estimated allocation for FY 2024-25 in the amount of \$83,560 and the proposed expenditures of these allocations.

Fiscal Impact:

The Los Angeles County Development Authority (LACDA) estimates the available funding for CDBG projects and programs for FY 2024-25 is \$83,560. Subject to City Council approval, the CDBG estimated allocation for the Public Service and Non-Public Service Projects would reflect the FY 2024-25 annual budget (Parks, Recreation, and Library Services Community Development Block Grant, Fund 201). Staff proposes the FY 2024-25 CDBG funding allocation as follows:

Estimated FY 2024-25 CDBG Fund Allocation	LACDA Maximum Allocation	Estimated CDBG Funding
Estimated CDBG Funding for FY 2024-25 Acct. No.: 201-11-4310		\$83,560
Proposed CDBG Expenditures		
Public Service Project: Food Distribution Program Acct. No.: 201-40-5723	15%	\$ 12,534
Non-Public Service Project: ADA Streets and Sidewalk Improvements Acct. No.: 201-99-7939	85%	\$ 71,026
Total of Proposed CDBG Expenditures		\$ 83,560
Available Unallocated Fund Balance Remaining from Previous FYs		\$ 6,401
Grand Total of CDBG Funding		\$ 89,961

Background:

The California Department of Housing and Urban Development (HUD) regulations allow a variety of activities that meet documented National Objectives. The primary objective of the Federal CDBG Program is the development of viable urban communities, including providing decent housing, promoting a suitable living environment, and expanding economic opportunity, principally for persons of low-to moderate-incomes. Local CDBG programs must provide maximum priority to benefit low-to moderate-income households, special needs groups such as senior citizens, or the differently abled, preventing or eliminating slum or blight conditions, and making public facilities accessible for people with disabilities in compliance with ADA. Each year, the City Council conducts a public hearing to allocate the funds received for the following fiscal year. Below are some highlights of prior fiscal year

CDBG allocations:

- In FY 2020-21, LACDA allowed the City to use all CDBG funding toward public service projects. On July 14, 2020, in response to community needs related to the COVID-19 pandemic, the City Council re-allocated the City's CDBG funding to the supplemental Coronavirus Aid, Relief, and Economic Security Act Funds (CDBG-CV). The City used the funding to provide weekly supplemental groceries to a total of 44 low-income senior households and 38 low-income families.
- In FY 2021-22, the City provided supplemental groceries to low-income seniors every other week. The City also completed the Signal Hill Park Open Space project, which involved demolishing two single family homes on East 21st Street to expand the green space at Signal Hill Park.
- In FY 2022-23, the City provided supplemental groceries to 35 low-income seniors and completed the ADA Rubberized Playground Surfacing at Discovery Well Park.
- In FY 2023-24, the City continued to provide supplemental groceries to 31 low-income seniors and completed ADA Sidewalk and Streets Improvements throughout the City.

Analysis:

LACDA notified the City the FY 2024-25 CDBG allocation will be approximately \$83,560, a decrease of \$2,630 from FY 2023-24. In December 2023, LACDA informed the City the FY 2024-25 maximum percentage of funds allocated toward a public service project would decrease from 20% to 15%. The remaining funds (85%) may be used for non-public service projects, typically capital improvement projects.

In FY 2022-23, LACDA required the remaining CDBG-CV funding be used by December 31, 2023. To meet the LACDA expenditure deadline, the City initially expended the remaining CDBG-CV funding. The FY 2022-23 regular allocation was not fully exhausted, creating a fund balance of \$6,401. This fund balance may be carried forward and used on future non-public service projects. Staff recommends combining the FY 2022-23 fund balance of \$6,401 with future CDBG allocations.

Public Service Project: Food Distribution Program

Historically, the City has used CDBG funding to cover the cost of the Food Distribution Program. Based on HUD guidelines, only low-income and extremely low-income households are approved for the Food Distribution Program. The program participants are required to reapply for the Food Distribution Program through a process of self-certification of household size and income each fiscal year.

In FY 2020-21, the Food Distribution Program served 44 low-income senior households on a weekly basis, an increase of 19 households from those served in FY 2019-20. A total of 38 families were also served in FY 2020-21, due to COVID-19 and the City's ability to expand the program. In FY 2021-22, the program returned to serving low-income senior citizens every other week and served 38 low-income seniors. In FY 2022-23, the program continued to serve 35 low-income senior citizens, and

in FY 2023-24 the program currently serves 31 senior households. The Family Food Distribution Program was funded by the CDBG-CV Funding and is now incorporated in the Parks, Recreation & Library Services operating budget.

As of December 31, 2023, a total of 31 senior households have participated in the Food Distribution Program. The FY 2023-24 allocation is estimated to cover the entire program costs for the year. However, due to an increased cost of groceries, staff estimates that the proposed CDBG funds for FY 2024-25 will only provide supplemental groceries to the existing 31 participants through February 2025. In anticipation of this shortfall, staff has contacted multiple organizations to secure grant funding to supplement the CDBG allocation for March through June 2025. Staff will continue this effort until the needed funds are secured.

Non-Public Service Projects: ADA Streets and Sidewalk Improvements

The Parks, Recreation, and Library Services and the Public Works staff collaborated to identify possible projects for FY 2024-25. After consulting with CDBG compliance experts, and following careful evaluation of other potential projects, staff determined that the ADA Streets and Sidewalk Improvements were an appropriate and timely use of CDBG funds.

Public Works staff identified ten locations in residential neighborhoods, currently listed on the Department's Streets and Sidewalk Inventory that are missing ADA ramps. The proposed ADA Streets and Sidewalk Improvements project would construct ADA ramps at ten proposed locations in the residential neighborhoods east of Cherry, on 19th Street, and 20th Street. If approved by the City Council, the CDBG allocation for non-public services projects would fund \$71,026 of street and sidewalk improvements.

As noted previously, the current \$6,401 fund balance is insufficient to complete additional sidewalk and street improvements. Staff recommends combining the FY 2022-23 balance with future CDBG allocations that may be used for subsequent non-public service projects; this proposal would provide more efficacious use of these funds.

Conclusion and Recommendations

Staff recommends allocating the non-public service funding to ADA Streets and Sidewalk Improvements at ten locations throughout the city for FY 2024-25. The remaining locations in the City's inventory list would be completed within the Public Works streets and sidewalk maintenance scheduled. The proposed actions include the City Council adopting a resolution to effectuate the approval of the CDBG estimated allocation for FY 2024-25 in the amount of \$83,560 and the proposed expenditures of these allocations.

Staff anticipates issuing a Request for Bids for the FY 2024-25 ADA Streets and Sidewalk Improvements in the near future and will present a staff report to the City Council to recommend an award of contract.

Reviewed for Fiscal Impact:

Sharon del Rosario

1/23/2024

Attachment:

A. Resolution