

City of Gilroy Substantial Amendment #2 to the 2015-20 Consolidated Plan and 2019-20 Annual Action Plan

The following is a summary and draft language that amends the 2015-20 Consolidated Plan and 2019-20 Annual Action Plan.

Background

The City of Gilroy's federal Consolidated Plan details the funding strategy for the Community Development Block Grant (CDBG) for the period between 2015 and 2020. The Annual Action Plan details each year within the 5-year Consolidated Plan and outlines the implementation of annual funding, which is developed through significant public input, analyses, and planning.

On March 27th, 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 Gilroy through its Community Development Block Grant (CDBG) Program. The City anticipates receiving an additional \$275,486 in CDBG dollars. Additionally, the City will also be re-allocating up to \$344,229 from its prior CDBG allocations to combat this crisis.

The City's Citizen Participation Plan (CPP) describes the efforts that the City will take to encourage its residents to participate in developing these plans. It also provides requirements for public process when a "substantial amendment" to the Annual Action Plan is proposed. The following changes constitute a substantial amendment and require public notice as described in the CPP:

- A 25% change in the amount allocated to a category of funding
- A significant change to an activity's proposed beneficiaries or persons served
- Funding of a new activity not previously described in the Action Plan.

However, due to COVID-19, the United States Department of Housing and Urban Development (HUD) has issued guidance that waives the Citizen Participation Plan requirements for entitlement recipients, provided that (1) no fewer than five days are provided for public comment and that (2) reasonable notice and the opportunity to comment is provided. Additionally, HUD has awarded supplemental funding through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) that requires programming in the 2019-20 Annual Action Plan.

Proposed Substantial Amendments

The City is proposing the following activities as an amendment to the 2019-2020 Annual Action Plan in order to reallocate current program funds from projects/activities that did not expend the projected funds within the fiscal year, as well as supplemental funding established by the CARES Act.

1. New activity: Subsistence Program for rent/mortgage payments
2. New activity: Business Assistance Program
3. Cherry Blossom Apartment Complex Rehabilitation (cancel project)

Public Process

The City of Gilroy is providing notice of a five-day public comment period as part of the HUD public participation exemption process from April 28, 2020 and ending May 2, 2020. Additionally, one public hearing will be held to provide opportunities for public comment:

- May 4, 2020 - City Council consideration of Substantial Amendments adoption,
6:00 pm, Virtual Meeting,

Comments may also be provided to Sue O'Strander by email (sue.ostrander@cityofgilroy.org), phone (408) 846-0219, or in writing addressed to:

City of Gilroy
Attn: Sue O'Strander, Deputy Community Development Director
7351 Rosanna Street
Gilroy, CA 95020

| The following changes will be made to the approved 2019-2020 Annual Action Plan, as follows (**additions** or ~~deletions~~):

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing rehabilitation	2015	2019	Non-Housing Community Development	CITY OF GILROY NEIGHBORHOOD REVITALIZATION STRATEGY	Housing Services	CDBG: \$144,364 Housing Trust Fund: \$0	Homeowner Housing Rehabilitated: 22 Household Housing Unit
2	Services to the homeless	2015	2019	Homeless		Basic Needs Supportive Services	CDBG: \$16,318 Housing Trust Fund: \$58,800	Public service activities other than Low/Moderate Income Housing Benefit: 509 Persons Assisted
3	Emergency rental assistance	2015	2019	Homeless		Housing Services	CDBG: <u>\$150,000</u> Housing Trust Fund: \$50,000	<u>Households Assisted: 30</u> Homelessness Prevention: 100 Persons Assisted
4	Support basic need services	2015	2019	Homeless Non-Homeless Special Needs		Basic Needs	Housing Trust Fund: \$20,000	Public service activities other than Low/Moderate Income Housing Benefit: 16 Persons Assisted
5	Support for supportive services	2015	2019	Homeless Non-Homeless Special Needs		Supportive Services	CDBG: \$21,173 Housing Trust Fund: \$25,000	Public service activities other than Low/Moderate Income Housing Benefit: 250 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Support youth services	2015	2019	Youth		Youth Services	CDBG: \$38,497 Housing Trust Fund: \$0	Public service activities other than Low/Moderate Income Housing Benefit: 140 Persons Assisted
7	Code Enforcement services	2015	2019	Code Enforcement	CITY OF GILROY NEIGHBORHOOD REVITALIZATION STRATEGY	Housing Services	CDBG: \$7,700	Housing Code Enforcement/Foreclosed Property Care: 20 Household Housing Unit
8	Capital improvements in the NRSA	2015	2019	Non-Housing Community Development	CITY OF GILROY NEIGHBORHOOD REVITALIZATION STRATEGY	Infrastructure Improvements in the NRSA	CDBG: \$544,229 300,000 Housing Trust Fund: \$0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1 Persons Assisted
9	Promote fair housing choice	2015	2020	Fair Housing		Housing Services	CDBG: \$0 Housing Trust Fund: \$14,200	Public service activities other than Low/Moderate Income Housing Benefit: 38 Persons Assisted
<u>10</u>	<u>Small Business Development</u>	<u>2015</u>	<u>2020</u>	<u>Economic Development</u>		<u>Economic Development</u>	<u>CDBG: \$469,715</u>	<u>Businesses Assisted: 40</u>

AP-38 Projects Summary
Project Summary Information
Table 1 – Project Summary

15	Project Name	<u>Business Assistance Program</u>
	Target Area	<u>-Economic Development</u>
	Goals Supported	<u>Economic Development</u>
	Needs Addressed	

Funding	CDBG: <u>\$469,715</u>
Description	<u>The purpose of the program will be to provide small loans (typically \$5,000 to \$15,000) to help local businesses cope with the COVID economic downturn by providing funds needed for working capital and business restarting costs that will result in low-income jobs being retained.</u>
Target Date	6/30/2021
Estimate the number and type of families that will benefit from the proposed activities	<u>40 Businesses</u>
Location Description	
Planned Activities	<u>The purpose of the program will be to provide small loans (typically \$5,000 to \$15,000) to help local businesses cope with the COVID economic downturn by providing funds needed for working capital and business restarting costs that will result in low-income jobs being retained.</u>

10	Project Name	<u>Subsistence Payment Program (Rent Relief)</u>
	Target Area	
	Goals Supported	<u>Affordable Housing</u>
	Needs Addressed	<u>Affordable Housing</u>
	Funding	<u>\$150,000</u>
	Description	<u>Rent/Mortgage payments for no more than 90 days to low income households who have been affected by COVID-19.</u>
	Target Date	<u>6/30/21</u>

Estimate the number and type of families that will benefit from the proposed activities	<u>Up to 30 low income households</u>
Location Description	
Planned Activities	<u>Rent/Mortgage payments for no more than 90 days to low income households who have been affected by COVID-19.</u>