

# REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

DECEMBER 1, 2020

TITLE:

**PUBLIC HEARING - ADOPT A SECOND  
AMENDMENT TO THE COVID-19  
RESPONSE FUNDING PLAN; AUTHORIZE  
APPROVAL OF AGREEMENTS TO  
IMPLEMENT THE PLAN; APPROVE A  
SECOND COVID-19 SUBSTANTIAL  
AMENDMENT TO THE FISCAL YEAR 2019-  
2020 ANNUAL ACTION PLAN; APPROVE  
AN APPROPRIATION ADJUSTMENT  
RECOGNIZING \$3,520,819 OF COMMUNITY  
DEVELOPMENT BLOCK GRANT  
CORONAVIRUS FUNDS  
(NON-GENERAL FUND)**

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1<sup>st</sup> Reading
- ☐ Ordinance on 2<sup>nd</sup> Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For \_\_\_\_\_

/s/ Kristine Ridge

CITY MANAGER

CONTINUED TO \_\_\_\_\_

FILE NUMBER \_\_\_\_\_

## **RECOMMENDED ACTION**

1. Adopt a Second Amendment to the COVID-19 Response Funding Plan for the allocation, administration and implementation of federal funding to respond to the Coronavirus (COVID-19) pandemic to add \$3,520,819 in Community Development Block Grant Coronavirus Funds, subject to adjustment by the City Manager as needed in response to shifting needs and priorities not to exceed the amount of funds available.
2. Direct the City Attorney to finalize and authorize the City Manager to enter into negotiations, execute agreements, and approve any other required actions necessary with various service providers, contractors, and sub-recipients, who will implement the Second Amendment to the COVID-19 Response Funding Plan, subject to non-substantive changes approved by the City Manager and City Attorney.
3. Approve a second COVID-19 Substantial Amendment to the Fiscal Year 2019-2020 Annual Action Plan in order to allocate and program \$3,520,819 in Community Development Block Grant Coronavirus Funds (identified in second Amendment to the COVID-19 Response Funding Plan above) and \$11,598,442 in Emergency Solutions Grant Coronavirus Funds that were added as the First Amendment to the COVID-19 Response Funding Plan on August 18, 2020.

4. Approve an appropriation adjustment recognizing an allocation to the City of Community Development Block Grant Coronavirus third round funds from the U.S. Department of Housing and Urban Development in the amount of \$3,520,819 (CDBG-CV3) in revenue account (No. 13518002-52008) and appropriating same to expenditure account (No. 13518788-various).

### **DISCUSSION**

On April 21, 2020, the City Council adopted a COVID-19 Response Funding Plan (Plan) for the allocation, administration, and implementation of \$6,486,644 in federal and state funding to respond to the coronavirus (COVID-19) pandemic including \$1,385,224 in state Homeless Housing, Assistance and Prevention Program COVID-19 Funds, \$3,374,017 in federal Community Development Block Grant Coronavirus Funds (CDBG-CV), and \$1,727,403 in federal Emergency Solutions Grant Coronavirus Funds. On August 18, 2020, City Council adopted a First Amendment to the COVID-19 Response Funding Plan to add a second allocation of \$11,598,442 Emergency Solutions Grant Coronavirus Funds (ESG-CV2) awarded to the City on June 9, 2020 by the U.S. Department of Housing and Urban Development (HUD). All funds in the COVID-19 Response Funding Plan are subject to adjustment by the City Manager as needed in response to shifting needs and priorities not to exceed the amount of funds available.

On September 11, 2020, HUD awarded the City with a special allocation of CDBG-CV3 program funds in the amount of \$3,520,819, as authorized by the CARES Act (Exhibit 1), increasing the cumulative amount for all CDBG-CV allocation rounds to \$6,894,836. To most effectively address the needs of the community while complying with the eligible uses for this source of federal funds, staff has identified the following eligible activities for the use of these CDBG-CV3 funds:

<b>CDBG-CV3 Eligible Activity</b>	<b>Allocation</b>
Subsistence Payments (Coronavirus Emergency Rental Relief for Tenants)	\$1,103,328
Food Banks (Food/M meal Insecurity, Food Pantries)	\$763,327
Power of One Food Purchase of Non-perishables & Operating Costs	\$50,000
Healthcare Services (Coronavirus Testing and Vaccine Distribution)	\$500,000
Senior Services (Medical Transportation, In-Home Care)	\$200,000
Public Services (PPE for CDBG-funded Public Service Agencies and Nonprofits)	\$100,000
Youth Services (Project Hope Alliance WIFI Access to Unhoused Youth)	\$100,000
Administrative Costs Allowance	\$704,164
<b>TOTAL</b>	<b>\$3,520,819</b>

These eight general activities have been consolidated into a Second Amendment to the COVID-19 Response Funding Plan (Exhibit 2). The Plan provides more details on each activity that is proposed to be carried out with each source of funds. However, the Plan is subject to adjustment as needed in response to shifting needs and priorities so long as the amount of funds does not exceed the amount available. For example, staff may need to change one eligible activity to another eligible activity because there are insufficient funds in that activity account to fully carry it out, or

there is less need for funding in one activity relative to another activity. Staff may also need to remove or replace an eligible activity entirely without returning to City Council for approval. The Plan may be adjusted in response to shifting needs and priorities to most effectively respond to the COVID-19 pandemic on behalf of the community, but the amount of funds available for expenditure of these new CDBG-CV3 funds will not exceed \$3,520,819.

Second COVID-19 Substantial Amendment to the Fiscal Year 2019-2020 Annual Action Plan

On June 4, 2019, City Council approved the Fiscal Year 2019-2020 Annual Action plan. The City of Santa Ana's Annual Action Plan details the funding strategy for the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnerships programs each year. The Annual Action Plan implements our jurisdiction's Five-Year Consolidated Plan and was developed through significant public input, analyses, and planning. The Annual Action Plan describes in detail how these federal grant funds will be allocated and used to serve the community. Title 24 Section 91.505 of the Code of Federal Regulations stipulates that participating jurisdictions shall amend their approved plans whenever they make one of the following decisions:

1. To make a change in its allocation priorities or a change in the method of distribution of funds;
2. To carry out an activity, using funds from any program covered by the Consolidated Plan (including program income) not previously described in the action plan; or
3. To change the purpose, scope, location or beneficiaries of an activity.

The City of Santa Ana has been awarded \$3,520,819 in CDBG-CV3 funds and \$11,598,442 in ESG-CV2 funds that were not previously described in the Fiscal Year 2019-2020 Annual Action Plan or the First COVID-19 Substantial Amendment. Per the regulations for these federal funds, a Second COVID-19 Substantial Amendment to the FY 2019-2020 Annual Action Plan is required (Exhibit 3).

Usually a 30 day public comment period is required under the City's Citizen Participation Plan. HUD recognizes the efforts to contain COVID- 19 require limiting public gatherings, such as those often used to obtain citizen participation, and that there is a need to respond quickly to the growing spread and effects of COVID- 19. Therefore, in a memorandum dated March 31, 2020, HUD has waived 24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) and 24 CFR 91.401 to allow the City to determine what constitutes reasonable notice and opportunity to comment given their circumstances. The City has determined that five days constitutes reasonable notice and opportunity to comment given the circumstances surrounding the COVID-19 pandemic. City Council approved an update to the Citizen Participation Plan on April 21, 2020 to allow for a five day public comment period.

As required by HUD, the Second COVID-19 Substantial Amendment to the Fiscal Year 2019-2020 Annual Action Plan was made available for a five day public comment review period from November 20, 2020 to November 24, 2020. A public notice was published on November 20, 2020 in the Orange County Register in English, La Opinion in Spanish, and the Ngoi Viet in Vietnamese

to inform the public of the commencement of the five day public comment period and public hearing. Comments received will be included in the final submission of the Second Substantial Amendment to HUD.

Following approval by City Council, staff will submit the Second COVID-19 Substantial Amendment to the FY 2019-2020 Annual Action Plan to HUD in order to draw down the \$3,520,819 in CDBG-CV3 funds and \$11,598,442 In ESG-CV2 funds.

#### **FISCAL IMPACT**

Approval of the appropriation adjustment will recognize \$3,520,819 in the Community Development Block Grant Coronavirus revenue account (No. 13518002-52008) for expenditure as follows:

<b>Fiscal Year</b>	<b>Accounting Unit- Account #</b>	<b>Fund Description</b>	<b>Accounting Unit, Account Description</b>	<b>Amount</b>
FY 2020-21 (Jan. – June)	13518788-various	Community Development Block Grant-Coronavirus	CDBG-CV3	\$3,520,819
<b>Total</b>				<b>\$3,520,819</b>

Staff anticipates expending the full grant allocation by end of the current fiscal year. However, any remaining funds will be carried forward to subsequent fiscal years to continue to provide services in response to the coronavirus.

Fiscal Impact Verified By: Kathryn Downs, CPA, Executive Director – Finance and Management Services Agency

Submitted By: Steven A. Mendoza, Executive Director – Community Development Agency

Exhibits:      1. Award Letter for \$3,520,819 in CDBG-CV3 Funds  
                    2. Second Amendment to COVID-19 Response Funding Plan  
                    3. COVID-19 Substantial Amendment # 2 to the FY 2019-2020 Annual Action Plan



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

ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

September 11, 2020

The Honorable Miguel Pulido  
Mayor of Santa Ana  
20 Civic Center Plaza  
Santa Ana, CA 92701-4058

Dear Mayor Pulido:

I am pleased to inform you of a special allocation to your jurisdiction of Community Development Block Grant funds to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis.

The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds. Of this amount, the Department immediately allocated \$2 billion on March 27, 2020, the same day President Trump signed the Act, based on the fiscal year 2020 CDBG formula; this constituted the first round of CDBG-CV funds. Next, \$1 billion was required by the Act to be allocated to States and insular areas within 45 days of enactment of the Act; HUD accomplished this on May 11, 2020, and this constituted the second round of CDBG-CV funds. Finally, the remaining \$2 billion in CDBG-CV funds was required by the Act to be allocated to states and local governments at the discretion of the Secretary on a rolling basis; HUD accomplished this on September 11, 2020, and this constituted the third round of CDBG-CV funds. Additionally, up to \$10 million will be set aside for technical assistance.

Accordingly, this letter informs you that your jurisdiction's allocation for the third round is \$3,520,819. Your cumulative amount for all allocation rounds is \$6,894,836.

The CARES Act adds additional flexibility for both the CDBG-CV grant and, in some cases, for the annual FY2019 and FY2020 CDBG grants in these unprecedented times. The public comment period is reduced to not less than 5 days, grantees may use virtual public hearings when necessary for public health reasons, the public services cap is suspended during the emergency, and States and local governments may reimburse costs of eligible activities incurred for pandemic response regardless of the date.

In addition, the CARES Act authorizes the HUD Secretary to grant waivers and alternative requirements of statutes and regulations the HUD Secretary administers in connection with the use of CDBG-CV funds and fiscal year 2019 and 2020 CDBG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements can be granted when necessary to expedite and facilitate the use of funds to prevent,

prepare for, and respond to coronavirus.

The CDBG CARES Act Federal Register Notice (FR-6218-N-01) was released on August 10, 2020. The notice describes the allocations and grant procedures applicable to the CDBG-CV grants. It also describes the program flexibilities, waivers, and alternative requirements that apply to the CDBG-CV grants as well as the fiscal year 2019 and 2020 CDBG grants. As further such flexibilities become available, they will be posted on HUD's website and distributed to grantees. The Department will also support grantees with technical assistance.

As you develop your plan for the use of these grant funds, we encourage you to consider approaches that prioritize the unique needs of low- and moderate-income persons and the development of partnerships between all levels of government and the private for-profit and non-profit sectors. You should coordinate with state and local health authorities before undertaking any activity to support state or local pandemic response. CDBG-CV grants will be subject to oversight, reporting, and the requirement that each grantee have adequate procedures to prevent the duplication of benefits (DOB). HUD will provide guidance and technical assistance on DOB, the prevention of fraud, waste, and abuse, and on documenting the impact of this program for beneficiaries.

Reminder, all CPD Grantees must ensure they maintain active Dun and Bradstreet Numbering System (DUNS) numbers in the System for Award Management (SAM) system. Entities must have an active and unexpired DUNS before execution of grant agreements to avoid delays in the obligation of funds- which will delay your ability to drawdown funds in the Integrated Disbursement & Information System (IDIS). Grantees are required to maintain an active SAMs registration by re-activating their DUNS number annually in the SAM system for the entire drawdown period of their grants. DUNS numbers can be registered and renewed each year at the following website: <https://www.sam.gov/SAM/>.

The Office of Community Planning and Development (CPD) is looking forward to working with you to successfully meet the urgent and complex challenges faced by our communities. If you or any member of your staff has questions, please contact your local CPD Field Office Director or [CPDQuestionsAnswered@hud.gov](mailto:CPDQuestionsAnswered@hud.gov).

Sincerely,



John Gibbs  
Acting Assistant Secretary  
for Community Planning and Development  
U.S. Department of Housing and Urban Development

## Second Amendment to COVID-19 Response Funding Plan

As of December 1, 2020

<b>NEW Community Development Block Grant-Coronavirus Round 3 Funds (CDBG-CV3)</b>		<b>To prevent, prepare for, and respond to the coronavirus (COVID-19).</b>
<b>Total</b>	<b>General Description</b>	<b>Detailed Description</b>
1,103,328	Subsistence Payments (Coronavirus Emergency Rental Relief for Tenants)	Public services contact to assist renters impacted by COVID-19 who are unable to pay their rent due to loss of income
763,327	Food Banks (Food/Meal Insecurity, Food Pantries)	Food Delivery, Food Pantries
50,000	Power of One Food Purchase of Non-perishables & Operating Costs	
500,000	Healthcare Services (Coronavirus Testing and Vaccine Distribution)	Access, Education, Distribution
200,000	Senior Services (Medical Transportation, In-Home Care)	
100,000	Public Services (PPE for CDBG-funded Public Service Agencies and Nonprofits)	
100,000	Youth Services (Project Hope Alliance WIFI Access to Unhoused Youth)	WIFI Access to Unhoused Youth (Educational Program)
704,164	Administrative Costs Allowance (CDA)	Recipients can use up to 20% of the allocation for administrative purposes.
<b>3,520,819</b>	<b>Total Available Funds (Expenditure Deadline: September 11, 2026; must expend at least 80% of all CDBG-CV3 funds by</b>	

<b>Emergency Solutions Grant Coronavirus Funds (ESG-CV)</b>		<b>To prevent, prepare for, and respond to the coronavirus (COVID-19) among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19.</b>
<b>Total</b>	<b>General Description</b>	<b>Detailed Description</b>
\$ 1,353,700	Operating costs to start up the Year-Round Homeless Navigation Center and Recuperative Care Facility at 1815 Carnegie Avenue	Carnegie Shelter
30,047	Supplies for Mercy House for COVID-19 expenses	
169,952	Extension of the interim 200-bed shelter at The Link to March 31, 2021, while the new Homeless Navigation Center on Carnegie Avenue is under development	Extension of the Link to March 31, 2021, including overlap of operating time for the Carnegie Shelter
172,740	Administrative Costs Allowance (CDA) (207608)	Recipients can use up to 10% of the allocation for administrative purposes.
<b>\$ 1,726,439</b>	<b>Total Available Funds (Expenditure Deadline: September 30, 2022; must expend at least 80% of all ESG-CV funds by</b>	

<b>Emergency Solutions Grant Coronavirus Round 2 Funds (ESG-CV2)</b>		<b>To prevent, prepare for, and respond to the coronavirus (COVID-19) among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19.</b>
<b>Total</b>	<b>General Description</b>	<b>Detailed Description</b>
\$ 3,249,361	Operating costs to start up the Year-Round Homeless Navigation Center and Recuperative Care Facility at 1815 Carnegie Avenue	Carnegie Shelter
1,424,490	Extension of the interim 200-bed shelter at The Link to March 31, 2021, while the new Homeless Navigation Center on Carnegie Avenue is under development	Extension of the Link to March 31, 2021, including overlap of operating time for the Carnegie Shelter
5,514,747	Eviction Prevention for Very-Low Income Families until August 2022 (Santa Ana Vital Eviction Solutions - SAVES)	Homelessness Prevention / Eviction Prevention eligible ESG activities. Prevention of evictions for very low-income families until August 2022.
250,000	Eviction Defense Fund for Very-Low Income Families qualified under Santa Ana Zero Eviction Program	If a landlord refuses to accept payment by the City through the Santa Ana Zero Eviction Program, the law firm contracted by the City for this Fund will provide legal services to the family to require the landlord to accept payment.
1,159,844	Administrative Costs Allowance (CDA)	Recipients can use up to 10% of the allocation for administrative purposes.
<b>\$ 11,598,442</b>	<b>Total Available Funds (Expenditure Deadline: September 30, 2022; must expend at least 80% of all ESG-CV funds by</b>	

# EXHIBIT 2

<b>Homeless Housing, Assistance and Prevention Program COVID-19 Funds (HHAP COVID-19)</b>		<b>To protect the health and safety of homeless populations and reduce the spread of the COVID-19 outbreak.</b>
<b>Total</b>	<b>General Description</b>	<b>Detailed Description</b>
\$ 885,000.00	Tenant improvements to start up the new permanent emergency shelter sooner than planned for COVID-19 homeless response (217750)	Carnegie Shelter
\$ 201,447.00	Servicing the trailers from the State of CA	Retrofit and maintenance of the trailers by Mike Thompson RV and removal of black wastewater by A&J Portables.
\$ 205,000.00	Servicing the trailers from the State of CA	Services for the trailers including janitorial services by Iclean and security services by Santa Ana Security Services.
\$ 21,364.93	Servicing the trailers from the State of CA	Generators for the trailers
\$ 43,199.00	Utilities at the Trailers	Set-up of electrical infrastructure at the trailers provided by Leed Electric
\$ 25,425.56	Servicing the trailers from the State of CA	Supplies
\$ 3,787.50	Servicing the trailers from the State of CA	Weed Abatement
<b>\$ 1,385,224</b>	<b>Total Available Funds</b>	

<b>Community Development Block Grant-Coronavirus Funds (CDBG-CV)</b>		<b>To prevent, prepare for, and respond to the coronavirus (COVID-19).</b>
<b>Total</b>	<b>General Description</b>	<b>Detailed Description</b>
\$ 1,238,760	Coronavirus Emergency Rental Relief Fund for Tenants ("CARES for Tenants") - The Salvation Army (209506)	Public services contact with the Salvation Army to assist renters impacted by COVID-19 who are unable to pay their rent due to loss of income.
705,167	Coronavirus Emergency Rental Relief Fund for Tenants ("CARES for Tenants") - Catholic Charities (209507)	Public services contact with the Catholic Charities to assist renters impacted by COVID-19 who are unable to pay their rent due to loss of income.
166,500	Coronavirus Emergency Rental Relief Fund for Tenants ("CARES for Tenants") - Community Action Partnership (209508)	Public services contact with the Community Action Partnership to assist renters impacted by COVID-19 who are unable to pay their rent due to loss of income.
300,000	Economic Development - Small Business Incentive Program (209501)	Expansion of City-run Small Business Incentive Program to provide additional loans and grants.
250,000	ALTA-Med COVID-19 Evaluation Center (209503)	Screening and testing operation in partnership with AltaMed, a non-profit medical services provider. Testing, diagnosis, or other services at a fixed location. Grant agreement with ALTAMed for up to two weeks of testing for Santa Ana residents.
114,000	Food Distribution for Seniors and/or Residents (209505)	Grant agreement with Meals on Wheels / SeniorServ to support food distribution to seniors
52,235	Food Distribution for Seniors and/or Residents - Traffic Control (209504)	MOU between City and PWA to contract out with CA Barricades to provide traffic control services for food distribution services provided by nonprofits in the community
547,355	Administrative Costs Allowance (CDA) (209500)	
<b>\$ 3,374,017</b>	<b>Total Available Funds (Expenditure Deadline: July 24, 2026; must expend at least 80% of all CDBG-CV funds by July 24,</b>	

**\$ 21,604,941 TOTAL**



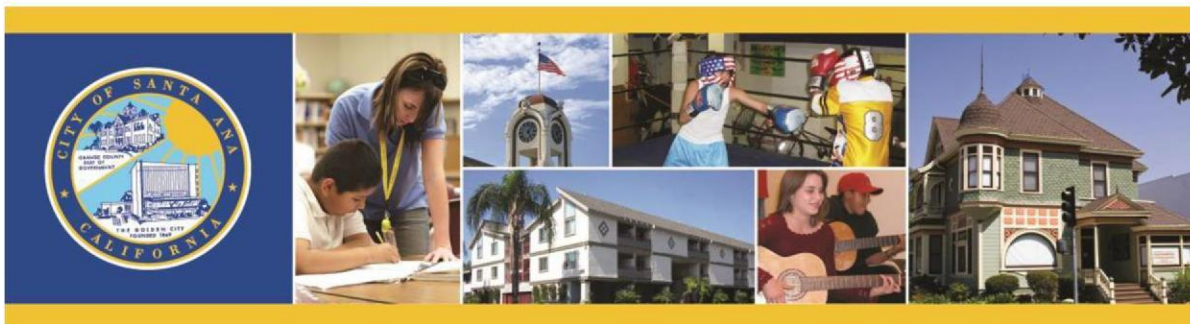
# **CITY OF SANTA ANA**

## **2019 - 2020 ANNUAL ACTION PLAN COVID-19 SUBSTANTIAL AMENDMENT**

**# 2**

**SUBSTANTIAL AMENDMENT # 2 TO THE FY 2019-2020  
ANNUAL ACTION PLAN TO ADD COMMUNITY  
DEVELOPMENT BLOCK GRANT – CORONAVIRUS (CDBG-  
CV3) AND EMERGENCY SOLUTIONS GRANT -  
CORONAVIRUS (ESG-CV2) FUNDS**

**Substantial Amendment  
# 2**



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**SUBSTANTIAL AMENDMENT # 2 TO THE FY 2019-2020  
ANNUAL ACTION PLAN TO ADD COMMUNITY  
DEVELOPMENT BLOCK GRANT – CORONAVIRUS (CDBG-  
CV3) AND EMERGENCY SOLUTIONS GRANT -  
CORONAVIRUS (ESG-CV2) FUNDS**

Substantial Amendment  
# 2

## **INTRODUCTION**

The City of Santa Ana's federal Annual Action Plan details the funding strategy for the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnerships programs each year. These Annual Action Plans implement our jurisdiction's Five-Year Consolidated Plan and are developed through significant public input, analyses, and planning. This document is a Second Substantial Amendment to the City of Santa Ana's Fiscal Year 2019-2020 Annual Action Plan, which was submitted to the U.S. Department of Housing and Urban Development (HUD) in May 2019.

Title 24 Section 91.505 of the Code of Federal Regulations stipulates that participating jurisdictions shall amend their approved plans whenever they make one of the following decisions:

1. To make a change in its allocation priorities or a change in the method of distribution of funds;
2. To carry out an activity, using funds from any program covered by the Consolidated Plan (including program income) not previously described in the action plan; or
3. To change the purpose, scope, location, or beneficiaries of an activity.

**SUBSTANTIAL AMENDMENT # 2 TO THE FY 2019-2020  
ANNUAL ACTION PLAN TO ADD COMMUNITY  
DEVELOPMENT BLOCK GRANT – CORONAVIRUS (CDBG-  
CV3) AND EMERGENCY SOLUTIONS GRANT -  
CORONAVIRUS (ESG-CV2) FUNDS**

Substantial Amendment  
# 2

**SUBSTANTIAL AMENDMENT**

On March 27, 2020 the United States Congress passed The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136. The bill provided \$5 billion for CDBG to rapidly respond to COVID-19 and the economic and housing impacts caused by it, including the expansion of community health facilities, childcare centers, food banks, and senior services. The bill also provided \$1 billion for ESG to be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19.

The City of Santa Ana will receive a second allocation from the third round of Community Development Block Grant– Coronavirus (CDBG–CV) Program funds in the amount of \$3,520,819 and a second allocation of Emergency Solution Grant – Coronavirus (ESG-CV) Program funds in the amount of \$11,598,442 that were not previously described in the Fiscal Year 2019-2020 Annual Action Plan or subsequent Substantial Amendment # 1. A Second Substantial Amendment to the FY 2019-2020 Annual Action Plan is required. Usually a thirty (30) day public comment period is required however, the U.S. Department of Housing and Urban Development (HUD) has waived this requirement provided that no less than five (5) days are provided for public comments on each substantial amendment.

The CDBG-CV and ESG-CV funds allocated under the CARES Act may be used for a range of eligible activities that prevent and respond the spread of infectious diseases such as the coronavirus disease 2019 (COVID-19). The proposed activities must meet one of the three National Objectives as required by CDBG regulations:

- Benefit low-and-moderate income persons.
- Aid in the prevention or elimination of slums or blight, and
- Meet an urgent need.

City staff is recommending to allocate the funds as follows:

**SUBSTANTIAL AMENDMENT # 2 TO THE FY 2019-2020  
ANNUAL ACTION PLAN TO ADD COMMUNITY  
DEVELOPMENT BLOCK GRANT – CORONAVIRUS (CDBG-  
CV3) AND EMERGENCY SOLUTIONS GRANT -  
CORONAVIRUS (ESG-CV2) FUNDS**

Substantial Amendment  
# 2

<b>CDBG-CV3 Eligible Activity</b>	<b>Allocation</b>
Subsistence Payments (Coronavirus Emergency Rental Relief for Tenants)	\$1,103,328
Food Banks (Food/M meal Insecurity, Food Pantries)	\$763,327
Power of One Food Purchase of Non-perishables & Operating Costs	\$50,000
Healthcare Services (Coronavirus Testing and Vaccine Distribution)	\$500,000
Senior Services (Medical Transportation, In-Home Care)	\$200,000
Public Services (PPE for CDBG-funded Public Service Agencies and Nonprofits)	\$100,000
Youth Services (Project Hope Alliance WIFI Access to Unhoused Youth)	\$100,000
Administrative Costs Allowance (CDA)	\$704,164
<b>TOTAL</b>	<b>\$3,520,819</b>

<b>ESG-CV2 Eligible Activity</b>	<b>Allocation</b>
Operating costs to start up the Year-Round Homeless Navigation Center and Recuperative Care Facility at 1815 Carnegie Avenue	\$3,249,361
Extension of the interim 200-bed shelter at The Link beyond October 31, 2020, while the new Homeless Navigation Center on Carnegie Avenue is under development	\$1,424,490
Eviction Prevention for Very-Low Income Families until August 2022 (Santa Ana Zero Eviction Program)	\$5,514,747
Eviction Defense Fund for Very-Low Income Families qualified under Santa Ana Zero Eviction Program	\$250,000
Administrative Costs Allowance (CDA)	\$1,159,844
<b>TOTAL</b>	<b>\$11,598,442</b>

In addition and for the purpose of an expedited use of the CDBG-CV3 and ESG-CV2 funding, the bill eliminates the cap on the amount of funds a grantee can spend on public services, removes the requirement to hold in-person public hearings in order to comply with national and local social gathering requirements, and allows grantees to be reimbursed for COVID-19 response activities regardless of the date the costs were incurred.

### **Public Review**

Pursuant to HUD regulations, the City's Citizen Participation Plan and current HUD waivers for grant programs and consolidated plan requirements to prevent the spread of COVID-19, staff published a 5-day comment period and public hearing. Public comments and Council's allocation recommendations will be included in the Second Substantial Amendment to the FY 2019-2020 Annual Action Plan.

**SUBSTANTIAL AMENDMENT # 2 TO THE FY 2019-2020  
ANNUAL ACTION PLAN TO ADD COMMUNITY  
DEVELOPMENT BLOCK GRANT – CORONAVIRUS (CDBG-  
CV3) AND EMERGENCY SOLUTIONS GRANT -  
CORONAVIRUS (ESG-CV2) FUNDS**

Substantial Amendment  
# 2

**EXHIBIT  
1  
SUMMARY OF PUBLIC COMMENTS  
&  
PROOF OF PUBLICATION 5-DAY COMMENT PERIOD AND PUBLIC  
HEARING SUMMARY OF PUBLIC COMMENTS**

**SUMMARY OF PUBLIC COMMENTS RECEIVED DURING 5-DAY COMMENT  
PERIOD AND STAFF RESPONSE:**

The draft amendment was available from November 20, 2020 to November 24, 2020 for HUD's required 5-day public comment period. A public notice was published on November 20, 2020 in the Orange County Register in English, La Opinion in Spanish and the Ngoi Viet in Vietnamese to inform the public of the commencement of the 5-day public comment period and public hearing. **XX comments were submitted for the Substantial Amendment.**

**12/01/2020 CITY COUNCIL MEETING PUBLIC HEARING:**

At its Regular Meeting on December 1, 2020, the City Council approved the **SUBSTANTIAL AMENDMENT #2 TO THE FY 2019-2020 ANNUAL ACTION PLAN TO ADD COMMUNITY DEVELOPMENT BLOCK GRANT – CORONAVIRUS (CDBG-CV3) FUNDS AND EMERGENCY SOLUTIONS GRANT - CORONAVIRUS (ESG-CV2) FUNDS** by a vote of (XX:XX).

**PROOF OF PUBLICATION 5-DAY COMMENT PERIOD AND PUBLIC HEARING**