



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 23-1004

Meeting Date: 2/7/2023

TITLE:

CDBG CV HOMELESSNESS PREVENTION AND SERVICES TO LOW/MODERATE INCOME HOUSEHOLDS

DEPARTMENT: CITY MANAGER'S OFFICE

PRESENTED BY: NATE ROBBINS, NEIGHBORHOOD IMPROVEMENT MANAGER

CONTACT INFORMATION: LORI KARAGUEZIAN, SENIOR MANAGEMENT ANALYST,
(714) 593-5347

RECOMMENDATION:

Staff recommends the City Council:

1. Approve the recommended reallocation of \$344,000 in Community Development Block Grant - Coronavirus (CDBG-CV) funds from Program Administration (\$274,000) and the Motel Isolation Voucher Program (\$70,000) for street outreach, workforce development, senior meals, and homeless youth programs.
2. Authorize the City Manager (or their designee) and the City Clerk to execute all agreements and/or amendments to the agreements to award CDBG-CV funding in the amount of \$70,000 for Trellis International, \$189,000 for City Net, and \$35,000 for Project Hope Alliance, each for a one-year term.
3. Approve the appropriation of \$50,000 in CDBG-CV funds to provide meals for Costa Mesa senior citizens.

BACKGROUND:

Since March 2020, the COVID-19 Pandemic has had significant economic impacts on communities. Programs designed to provide a safety net for residents have been necessary to mitigate the related impacts pertaining to food, housing, and income insecurity.

Locally identified COVID-19 Pandemic related impacts, such as an increase in visible homelessness, extra costs for basic necessities such as food, and the economic downturn as a consequence of the pandemic, precipitated a review of current allocations for public services subsidized with CDBG-CV funds. Based on staff's review, a determination has been made that additional funding is needed for services related to street outreach, youth experiencing homelessness, and home-delivered/congregate meals for seniors. A reallocation of CDBG-CV funds from Program

Administration and the Motel Isolation Voucher Program could provide the additional funding needed to subsidize services in these key areas.

Community Development Block Grant Coronavirus (CDBG-CV)

The Coronavirus Aid, Relief and Economic Security Act of 2020 (the “Cares Act”) provided \$5 billion in Community Development Block Grant Coronavirus funding (“CDBG-CV”) to assist low-income and vulnerable Americans impacted by the Coronavirus pandemic. The U.S. Department of Housing and Urban Development (“HUD”) allocated \$2 billion of these funds to eligible jurisdictions by using the existing CDBG grant formula. The CDBG-CV program is a COVID 19 resource that was approved as a substantial amendment to the FY 2019-2020 Annual Action Plan and is not a recurring source of funding.

City Council accepted round one of CDBG-CV funds on May 26, 2020 in the amount of \$668,658 and round two of CDBG-CV funds on October 9, 2020 in the amount of \$1,168,216 for a total CDBG-CV award of \$1,836,874. Of this total, \$333,942 was allocated for Program Administration to cover staff’s costs of administering the CDBG-CV funds and \$138,535 was allocated for the Motel Voucher Program to facilitate the isolation of emergency shelter guests who have tested positive for COVID-19.

ANALYSIS:

CDBG-CV funds set aside for motel isolation vouchers and program administration are not being expended at rates that will meet the required expenditure deadlines, thus a portion of these funds must be reallocated to avoid being recaptured by HUD.

The \$138,535 in CDBG-CV funds set aside for motel isolation vouchers has been underutilized, as there is access to free isolation beds within the County’s Continuum of Care system. Using these free isolation beds has allowed the City to retain CDBG-CV funds that can now be reprogrammed for other uses.

Similarly, the \$333,942 in CDBG-CV funds allocated for Administration is not on pace to meet expenditure deadlines because the City has effectively used subrecipients to prevent, prepare for, and respond to coronavirus with minimal program oversight needed by City staff. As a result, a portion of these CDBG-CV funds can be reallocated to provide more services for the community.

Workforce Development and Like Skills Training

The City funds Trellis International (Trellis) to administer a workforce development and life skills training program called the Community Impact Team (CIT). The CIT provides employment services and transitional employment opportunities for homeless and extremely low-income Costa Mesa residents seeking to reenter the workforce. The City recently expanded its partnership with Trellis to subsidize three (3) projects per week where Teams perform clean-ups at City parks and along major thoroughfares throughout Costa Mesa. Reallocating \$70,000 in CDBG-CV funds to Trellis will allow the CIT to operate in the City of Costa Mesa for an additional 12 months.

Street Outreach

The City funds City Net to provide after-hours street outreach to unsheltered homeless people, four days a week (Mon, Tue, Thu, Fri) from 4-9pm. This service is extremely important as it offers additional support for both City Outreach and the Community Policing Unit (CPU) in providing case management services to our most vulnerable residents. During 2022, City Net Outreach Workers made contact with 844 people, connected 196 of those to services, and facilitated 38 street exits to housing or specialized treatment facilities. Reallocating \$189,000 in CDBG-CV funds to City Net will allow them to provide an additional 10.5 months of street outreach to our unsheltered residents.

Youth Services

The City funds Project Hope Alliance (PHA) to provide on- and off-campus case management of homeless and at-risk Newport Mesa Unified School District (NMUSD) students and their families. The services provided by PHA are vital to preventing both current and future homelessness for Costa Mesa residents. During 2022, PHA assisted a total of 329 NMUSD students across 23 campuses. Reallocating \$35,000 in CDBG-CV funds to PHA will allow them to continue to support NMUSD students and their families through the current school year.

Meals for Seniors

The City currently funds Community SeniorServ (CSS) to provide home-delivered and congregate meals to an estimated 170 Costa Mesa senior citizens per year. During the current fiscal year, CSS's Congregate Lunch program has seen a 300% increase over last year in the number of seniors served (80 residents this year vs. 24 last year) and food costs are rising. The raw food costs incurred by CSS for the first quarter of 2022 was \$34,056, which is \$6,132 more than their entire annual award of \$27,924.

An additional \$50,000 in CDBG-CV funds is needed to provide for the increased number of Costa Mesa seniors facing food insecurity. Staff intends to solicit applications for funding to provide additional meals to our vulnerable senior population, thus fulfilling the City's procurement requirements.

The reallocation of these funds does not require a substantial amendment to the Annual Action Plan as, per the City's HUD-approved Citizen Participation Plan, there will not be a substantial change to the purpose, scope, location or beneficiaries of the activities in the original allocation and the amount of the reallocation does not exceed 45% of the total CDBG-CV award. A summary of the allocations, expenditures, balances and proposed reallocations of CDBG-CV funds is outlined in the table below.

AGENCY/USE	Total Allocation	Total Expended	Balance	Proposed Reallocation
Motel Isolation Vouchers	\$ 138,535	\$ 38,424	\$ 100,111	\$ (70,000)
City Admin (18%)	\$ 333,942	\$ 28,261	\$ 305,681	\$ (274,000)
City Net - Street Outreach	\$ 192,000	\$ 179,745	\$ 12,255	\$ 189,000
Trellis - Street Outreach	\$ 90,382	\$ 79,653	\$ 10,729	\$ 70,000
Project Hope Alliance - Youth Services	\$ 162,382	\$ 162,382	\$ -	\$ 35,000
Community SeniorServ - Meals on Wheels	\$ 15,000	\$ 15,000	\$ -	\$ -
TBD - Meals for Seniors	\$ -	\$ -	\$ -	\$ 50,000
TOTALS	\$ 932,241	\$ 503,465	\$ 428,776	\$ -

ALTERNATIVES:

The City Council can choose to reject staff's recommendation and continue to set the available CDBG-CV funds aside for administrative costs; however, this would place the City at risk of having to return the funds to HUD. Hence, this alternative is not advised.

FISCAL REVIEW:

This item does not contemplate the use of General Funds.

LEGAL REVIEW:

The City Attorney's office has reviewed this report and approved it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Strengthen the Public's Safety and Improve the Quality of Life

CONCLUSION:

Staff recommends the City Council:

1. Approve the recommended reallocation of \$344,000 in Community Development Block Grant - Coronavirus (CDBG-CV) funds from Program Administration (\$274,000) and the Motel Isolation Voucher Program (\$70,000) for street outreach, workforce development, senior meals, and homeless youth programs.
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