

## **City of Gilroy Substantial Amendment #3 to the 2015-2020 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 (AAP) details each year within the 5-year Consolidated Plan (ConPlan) and outlines the implementation of annual funding, which is developed through significant public input, analyses, and planning. The one-year action plan, 2019-2020, identifies how specific projects and annual allocations will be implemented during that particular program year.

On March 27<sup>th</sup>, 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 has received a second allocation of funds through the CARES Act referred to as CDBG-CV3 in the amount of \$422,085. The purpose of this amendment will be to allocate these funds to projects/programs that prepare for, prevent or respond to the COVID-19 pandemic, and to give the public an opportunity to comment on the proposed actions.

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, such as the City of Gilroy, 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. The City has updated its CPP to allow for these HUD waivers and will be utilizing them for this amendment as described above.

### **Proposed Substantial Amendments**

The City is proposing the following activities as an amendment to the 2019-2020 Annual Action Plan in order to allocate the funding provided by CDBG-CV3 through the CARES Act:

1. New activity: Food Distribution Program for homebound seniors
2. Increase Funding: Small Business Assistance Grants
3. Increase Funding: Rental Assistance Program

The City will also be utilizing the allowable general administration dollars through the CDBG-CV3 funds in order to properly manage and implement this funding.

### **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 23, 2021 and ending April 28, 2021. Comments on the Draft FY 2019-20 Substantial Amendment may be provided to Maria De Leon, Program Administrator by email ([maria.deleon@cityofgilroy.org](mailto:maria.deleon@cityofgilroy.org)), phone (408) 846-0290, or in writing addressed to:

Attn: Maria De Leon, Program Administrator  
City of Gilroy  
7351 Rosanna Street  
Gilroy, CA 95020

Additionally, a public hearing will be held to provide opportunities for public comment:

- May 3, 2021 - City Council will consider adoption of the Substantial Amendments, 6:00 pm, during the Virtual Council Meeting. Interested parties are encouraged to participate in this public hearing as this is the time and place when those interested shall be heard and given due consideration. This meeting will be conducted pursuant to the provisions of the Governor's Executive Order N-29-20. In order to minimize the spread of the COVID-19 virus, the City is providing the following telephone and email options for public comments at this meeting:

You are encouraged to participate in this meeting by watching it live on the City of Gilroy's website at [www.cityofgilroy.org](http://www.cityofgilroy.org), or on Cable Channel 17. To view the meeting from the website, select the "Council Agendas and Videos" button from the home page. Public comments can be submitted by mail to City Hall, 7351 Rosanna Street, Gilroy, CA 95020 Attn: Maria De Leon, or by email at [maria.deleon@cityofgilroy.org](mailto:maria.deleon@cityofgilroy.org) and must be received before the Mayor closes the public hearing for the item. Additionally, comments may be made by leaving a voice message at (408) 846-0290 prior to 5:00 p.m. on May 3, 2020.

The following changes will be made to the approved 2019-2020 Annual Action Plan, as follows (**additions are noted in red text**):

## Expected Resources

### AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

#### Introduction

The City expects to receive resources from both the federally funded Community Development Block Grant (CDBG) program as well as the locally funded Housing Trust Fund. Below is a summary of the expected resources in FY 19-20. If HUD makes any adjustments to its allocation after this AAP is adopted, the City will revise the funding amounts for each program, project and public service activity on an across-the-board contingency percentage basis upon formal notice from HUD of the approved FY 19-20 CDBG grant amount.

Additionally, through Amendments #2 and #3, the City has allocated its CARES funds which are identified as CV1 and CV3 in the table below.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	476,592	30,000	366,957	873,549	0	Funding represents the 5th year of 2015-2020 ConPlan. Substantial amendment will commit prior year resources to new infrastructure project.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Housing Trust Fund	public - local	Housing	168,000	0	0	168,000	168,000	The city manages a local Housing Trust Fund. Funds are generated from the repayment or refinancing of prior homebuyer loans that were made to low-income homebuyers. Income is also generated from a city-owned property that was supported with Housing Trust Fund dollars.
Other CDBG-CV1	Public – federal	Other: to prevent prepare for and respond to Coronavirus	\$275,486	0	0	\$275,486	0	CDBG-CV1 Funds to be used to prevent, prepare for and respond to the Coronavirus.
Other CDBG-CV3	Public – federal	Other: to prevent prepare for and respond to Coronavirus	\$422,085	0	0	\$422,085	0	CDBG-CV3 Funds to be used to prevent, prepare for and respond to the Coronavirus.

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

16	<b>Project Name</b>	<u>Business Assistance Program</u>
	<b>Goals Supported</b>	<u>Economic Development</u>
	<b>Needs Addressed</b>	Economic Development
	<b>Funding</b>	CDBG: <u>\$469,715</u> CDBG-CV3: \$100,000
	<b>Description</b>	<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-19 economic downturn, by providing funds needed for working capital and business restarting costs that will result in low-income jobs being retained.</u>
	<b>Target Date</b>	12/31/21
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	<u>40 Businesses</u> Additional 10 businesses to be assisted with CV-3 funds
	<b>Location Description</b>	Throughout the City of Gilroy
<b>Planned Activities</b>	<u>The purpose of the program will be to provide small loans (typically \$5,000 to \$10,000) to help local businesses cope with the COVID-19 economic downturn by providing funds needed for working capital and business restarting costs that will result in low-income jobs being retained.</u>	

	<b>Project Name</b>	<u>Subsistence Payment Program (Rent Relief)</u>
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15	<b>Goals Supported</b>	<u>Affordable Housing</u>
	<b>Needs Addressed</b>	Homelessness Prevention
	<b>Funding</b>	CDBG-CV1: <u>\$150,000</u> CDBG-CV3: \$137,309
	<b>Description</b>	<u>Rent/Mortgage payments for no more than 90 consecutive days to low-income households affected by COVID-19.</u>
	<b>Target Date</b>	<u>6/30/21</u>
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	<u>Up to 30 low-income households</u> Additional 25 households to be assisted with CV-3 funds
	<b>Location Description</b>	Throughout the City of Gilroy
	<b>Planned Activities</b>	<u>Rent/Mortgage payments for no more than 90 consecutive days to low income households affected by COVID-19.</u>

17	<b>Project Name</b>	Meals on Wheels Program
	<b>Goals Supported</b>	Support basic need services
	<b>Needs Addressed</b>	Basic Needs
	<b>Funding</b>	CDBG-CV3: \$100,359

	<b>Description</b>	The City will be partnering with the local YMCA to expand their food distribution program (i.e. meals on wheels) to homebound seniors. The population has been greatly impacted by the pandemic and shelter in place orders, and YMCA has seen a significant increase in demand for the delivery of meals to their homes. Matrix Code: 05A Senior Services, LMC
	<b>Target Date</b>	<u>6/30/22</u>
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	<u>40 Seniors</u>
	<b>Location Description</b>	Throughout the City of Gilroy
	<b>Planned Activities</b>	The City will be partnering with the local YMCA to expand their food distribution program (i.e. meals on wheels) to homebound seniors. The population has been greatly impacted by the pandemic and shelter in place orders, and YMCA has seen a significant increase in demand for the delivery of meals to their homes. Matrix Code: 05A Senior Services, LMC

18	<b>Project Name</b>	Program Administration for CV Funds
	<b>Goals Supported</b>	N/A
	<b>Needs Addressed</b>	N/A
	<b>Funding</b>	CDBG-CV3: \$84,417
	<b>Description</b>	Program management and oversight related specifically to the CARES Act funds to ensure federal overlays and requirements are met.
	<b>Target Date</b>	<u>6/30/22</u>

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	N/A
	<b>Planned Activities</b>	Program management and oversight related specifically to the CARES Act funds to ensure federal overlays and requirements are met.