

**THE PROPOSED CDBG SUBSTANTIAL AMENDMENT
TO THE 2015-2020 FIVE-YEAR CONSOLIDATED PLAN
AND 2015-2016 ANNUAL ACTION PLAN
(DRAFT FOR PUBLIC REVIEW, MARCH 30, 2016)**

<p>Jurisdiction: City of Carson, California</p> <p>Jurisdiction Web Address: http://ci.carson.ca.us</p>	<p>CDBG Contact Person: Keith Bennett</p> <p>Address: 701 East Carson Street Carson, California 90745</p> <p>Telephone: (310) 830-7600, ext. 1319</p> <p>Fax: (310) 549-1466</p> <p>Email: kbennett@carson.ca.us</p>
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Summary

The City of Carson proposes to amend its 2015-2020 Five-Year Consolidated Plan and 2015-2016 Annual Action Plan to reallocate previously budgeted Community Development Block Grant (CDBG) funds to facilitate two projects:

- An infrastructure project (consisting of removal, replacement, and reconstruction of sidewalks, driveway approaches, curbs and gutters, cross gutters, and access ramps) within one of the City’s low- and moderate-income target areas (see attached project description and location maps). The total cost estimate for this project is \$310,096, with approximately \$150,000 coming from CDBG funds reallocated as a result of the proposed Substantial Amendment. The remainder would come from Measure R (Los Angeles County sales tax for transportation projects) local funding.
- A 65-unit affordable housing development for seniors (aged 55 and older) located at 401 Sepulveda Boulevard in Carson. The units will be one- and two-bedroom units, designed to market-rate quality. The total project cost is projected to be \$23,656,000. CDBG funds reallocated as a result of the proposed Substantial Amendment in the amount of \$750,000 would be used to assist the developer with construction costs.

Amendment of the Consolidated Plan is necessary because the intended uses of the CDBG funds are not referenced in the current Consolidated Plan, and because the intended uses require the allocation of CDBG funds allocated to the City in prior years but not spent in those years. Amendment of the Annual Action Plan is necessary because the aforementioned intended uses of

the funds are likewise not mentioned in the Annual Action Plan, and also because these intended uses will result in a revision of the Action Plan budget to reduce the allocation for one or more current activities to free up funding for these new intended uses.

Fiscal Impact

The U. S. Department of Housing and Urban Development (HUD) determines each year the CDBG amount the City receives in the form of an entitlement amount (based on the City's overall population, its proportion of low- and moderate- income residents, and other demographic factors). However, if not all those funds are expended in the program year for which they were allocated, the result is the accumulation of unexpended funds in the City's letter of credit balance with HUD. That amount of accumulated unspent funds, as of the beginning of program year 2015-2016, totaled approximately \$693,541.

The City's 2015-2016 Annual Action Plan budget allocated the full amount of the 2015-2016 entitlement amount (\$685,146) plus \$299,557 of the aforementioned balance of unspent funds from prior years (which would reduce that prior year unspent funds balance to approximately \$393,984), plus \$10,791 in eligible program income, plus \$463,000 received from the sale of the former Dominguez Trailer Park property (which was also recorded as program income), for a total allocation of \$1,458,494. Included in that total of \$1,458,494 was \$502,286 specifically for a revitalization initiative in the Scottsdale Townhouses community. Because of delays in the approval of the Scottsdale Townhouses initiative, those funds risk remaining unspent and consequently adversely affecting the City's timely expenditure ratio. Therefore, the City proposes reducing the 2015-2016 allocation for the Scottsdale Townhouses Revitalization by \$150,000, and allocating those funds to the proposed new infrastructure project.

The City had originally acquired the aforementioned Dominguez Trailer Park property by means of a Substantial Amendment to the 2005-2010 Five-year Consolidated Plan and 2009-2010 Annual Action Plan approved by the Carson City Council on April 6, 2010. Pursuant to that Substantial Amendment, the City expended approximately \$1,161,777 in CDBG funds to acquire the Dominguez Trailer Park property with the intent of developing an affordable housing project on that site. A combination of market factors proved it infeasible to develop an affordable housing project on that site, and thus, the Dominguez Trailer Park property was sold for the aforementioned \$463,000, and a market-rate project was developed instead on that site. HUD subsequently determined that since the Dominguez Trailer Park property was not used for the purpose for which it had been acquired with CDBG funds, the City was required to return \$698,777 (representing the amount of CDBG funds used to purchase the property less the amount the property was resold for) back to the City's CDBG line of credit, to be used for another CDBG-eligible project. The proposed senior housing development at 401 Sepulveda Boulevard would utilize all of the \$698,777 in the City's CDBG line of credit resulting from that Dominguez Trailer Park repayment (thus ensuring that the Dominguez Trailer Park repayment funds are indeed utilized for an affordable housing project). This \$698,777 would be supplemented by an additional \$51,223 in CDBG funds generated by further reducing the 2015-2016 allocation for the Scottsdale Townhouses Revitalization by the same \$51,223 amount, thus bringing the total of CDBG assistance to the 401 Sepulveda Boulevard project to \$750,000.

New Activities

Westside Infrastructure Project

In an area bounded by Carson Street to the north, 220th Street to the south, Figueroa Street to the west, and Grace Street to the south, the proposed project would:

- Remove and replace, or construct new sidewalks, including adjusting water meter and traffic signal boxes to grate (5,223 square feet)
- Remove and replace driveway approaches (4,370 square feet)
- Remove and replace or construct new cross gutters (648 square feet)
- Remove and replace curb and gutter (2,188 linear feet)
- Remove and reconstruct access ramps (a total of 15)
- Install truncated dome panels (a total of 40)
- Install traffic stripes and pavement markings
- Remove and dispose of trees (an estimated 19 in total)

Affordable Senior Housing Development (401 Sepulveda Boulevard)

The proposed project would address a shortage of affordable rental housing within the city, particularly among an underserved segment of the population (the elderly) by making available 65 dwelling units (a combination of one- and two-bedroom units).

Revised Activities and Funding Reallocations

This proposed Substantial Amendment would reduce the funding for the proposed Scottsdale Townhomes Revitalization by \$150,000 and create a new activity, the Westside Infrastructure Project, to which the \$150,000 would be allocated.

This proposed Substantial Amendment would also reduce the funding for the proposed Scottsdale Townhomes Revitalization by an additional \$51,223, as well as reduce the balance in the City's CDBG line of credit (resulting from the aforementioned Dominguez Trailer Park repayment (classified as "Funds Repaid to Local Account") by its entire \$698,777, and create a new activity, the 401 Sepulveda Boulevard Affordable Senior Housing Development, to which the total of \$750,000 would be allocated.

See summary under "Activities to Be Affected by the Change".

Eligibility

The newly-created Westside Infrastructure Project activity under the proposed Substantial Amendment constitutes an eligible use of CDBG funds as permitted under 24 CFR 570.201 (c), Public Facilities and Improvements.

The newly-created Affordable Senior Housing Development (401 Sepulveda Boulevard) activity under the proposed Substantial Amendment constitutes an eligible use of CDBG funds as permitted under 24 CFR 570.200 (a) (2), Low- and Moderate-Income Persons, and 24 CFR

570.208 (a) (2) (A), Clientele Generally Presumed to Be Low- and Moderate Income: Elderly Persons..

Activities to Be Affected by the Change

- The 2015-2016 Annual Action Plan budget allocation for the Scottsdale Townhouses Revitalization would be reduced from \$502,286 to \$301,063.
- A new activity, Westside Infrastructure Project, would be created and allocated \$150,000.
- The balance in Funds Repaid to Local Account (LA) would be reduced from \$698,777 to \$ 0.
- A new activity, Affordable Senior Housing Development (401 Sepulveda Boulevard) would be created and allocated \$750,000.

Impact on 2015-2020 Five-Year Consolidated Plan Goals and Objectives and Impact on 2015-2016 Annual Action Plan Goals and Objectives

The 2015-2020 Five-Year Consolidated Plan and the 2015-2016 Annual Action Plan both list Goal #1 as “Provide decent affordable housing, though at the time these Plans were developed, there were no specific projects anticipated that would meet this goal. The proposed Affordable Senior Housing Development (401 Sepulveda Boulevard) would meet this goal.

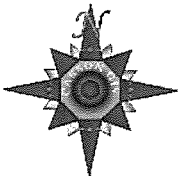
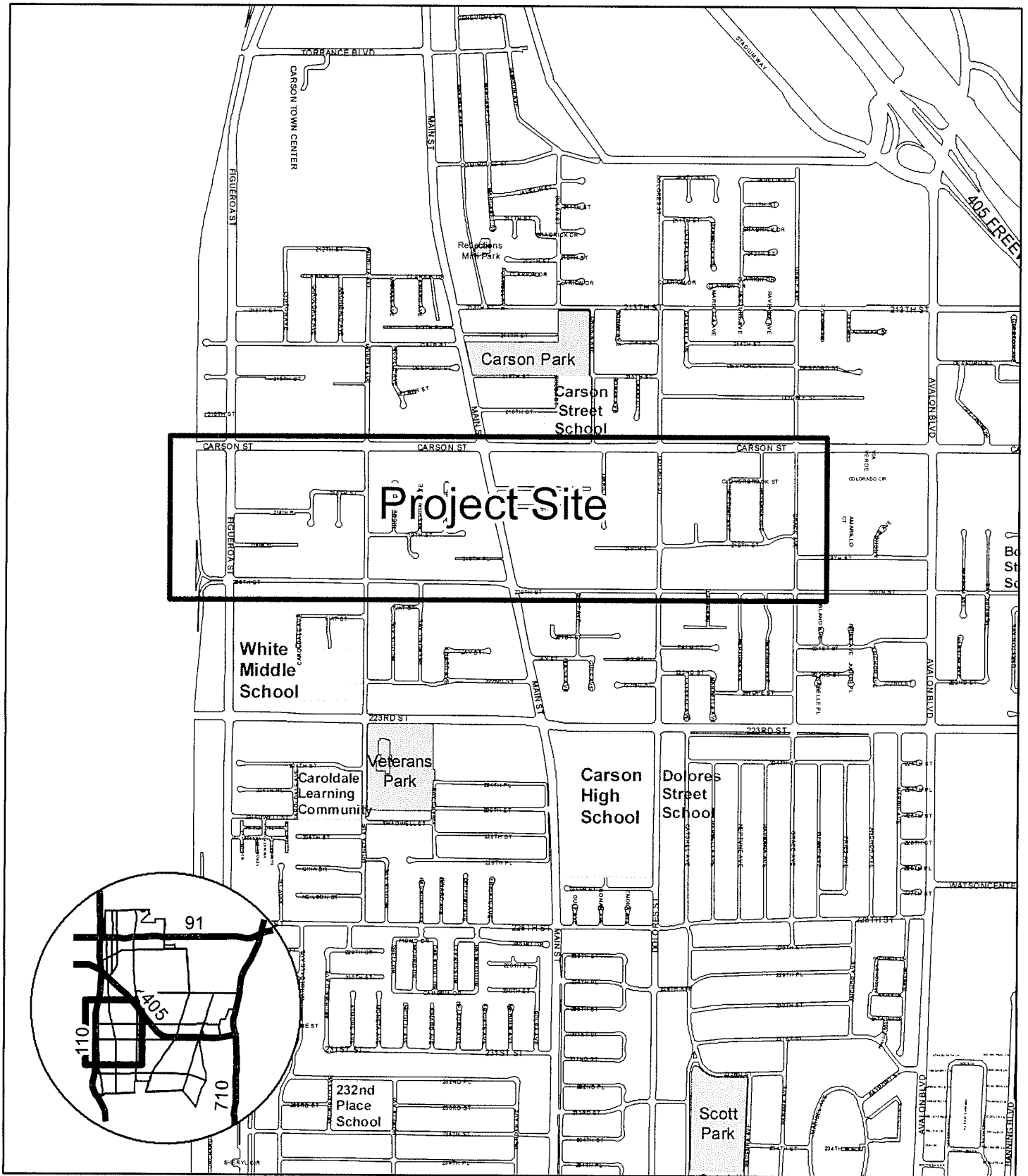
The 2015-2020 Five-Year Consolidated Plan and the 2015-2016 Annual Action Plan both list Goal #4 as “Construct or upgrade public facilities and infrastructure to preserve, rehabilitate, and enhance existing public facilities”, though at the time these Plans were developed, there were no specific projects anticipated that would meet this goal. The proposed Westside Infrastructure Project would meet this goal.

Public Comment

As per HUD regulations, and as provided for in the City of Carson’s CDBG Program Citizen Participation Plan, the proposed Substantial Amendment will be posted and published via the usual methods for a period of not less than 30 calendar days for public review and comment. In addition, a public hearing is tentatively scheduled to be held regarding the proposed Substantial Amendment by City Council on May 3, 2016 prior to its approval by City Council for submission to HUD.

A summary of public comments received regarding the proposed CDBG Substantial Amendment will be attached to the final version of the Substantial Amendment submitted to HUD.

Attachments: Notice of 30-Day Public Comment Period Location Map – Proposed Infrastructure Project



Location Map
Project No. 1392
Annual Concrete Replacement Program FY 2014/15