



**SUBSTANTIAL AMENDMENT-3
TO THE COUNTY OF ORANGE –
2020-2024 CONSOLIDATED PLAN
& 2020-2021 ACTION PLAN**

**COMMUNITY DEVELOPMENT BLOCK GRANT COVID-19
(CDBG) RE-ALLOCATION**

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(To be inserted prior to submission to HUD)

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Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The County of Orange is located along the Pacific Ocean between Los Angeles County to the north and northwest, San Bernardino County to the northeast, Riverside County to the east, and San Diego County to the southeast. Orange County stretches approximately 40 miles along the coast and extends inland approximately 20 miles, covering 798 square miles.

This Fiscal Year (FY) 2020-2024 Consolidated Plan for the Urban County of Orange serves as the Urban County's official application to HUD for Community Planning and Development (CPD) funds - Community Development Block Grant (CDBG), HOME Investment Partnership, and Emergency Solutions Grant (ESG) funds. The Plan identifies the housing and community development needs in the Urban County and sets forth a strategic plan for addressing the identified needs. It also satisfies the minimum statutory requirements of the CDBG, HOME, and ESG programs. The Plan covers from July 1, 2020 through June 30, 2025. (That Consolidated Plan was written prior to the COVID-19 Pandemic).

The "Urban County" of Orange is comprised of 11 cities with populations under 50,000 (participating cities), two "Metro" cities – Placentia and Yorba Linda – with populations over 50,000, and the unincorporated areas of Orange County. The 11 participating cities include Brea, Cypress, Dana Point, Laguna Beach, Laguna Hills, Laguna Woods, La Palma, Los Alamitos, Seal Beach, Stanton, and Villa Park. With populations over 50,000, Placentia and Yorba Linda are eligible to participate in the CPD programs as entitlement jurisdictions and receive funding directly from HUD. However, these cities have elected to join the Urban County for the overall implementation of these programs.

This Substantial Amendment is required in order to allow Yorba Linda to utilize reallocated Community Development Block Grant (CDBG) to be used to prevent, prepare for and respond to the coronavirus pandemic (COVID-19) in compliance with Coronavirus Aid, Relief, and Economic Security Act (CARES Act) by providing funding for the Small Business Relief Program for income qualified businesses. These CDBG funds allow for statutory and regulatory waivers, and alternative requirements that will help to prevent, prepare for, and respond to coronavirus and to annual formula CDBG grants awarded in fiscal year 2020. The statutory and regulatory provisions governing the CDBG program apply to CDBG grants.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The Urban County of Orange incorporated outcome measures for activities in accordance with the Federal Register Notice dated March 7, 2006, which require the following Performance Measure Objectives/Outcomes to be associated with each activity funded:

General Objective Categories- Activities will meet one of the following:

- Decent Housing (DH)
- Suitable Living Environment (SL)
- Economic Opportunity (EO) General

Outcome Categories- Activities will meet one of the following:

- Availability/Accessibility (1)
- Affordability (2)
- Sustainability (3)

In addition to national objectives and performance outcomes, the County must weigh and balance the input from different groups and assign funding priorities that best bridge the gaps in the County’s service delivery system. While other goals the County has set are also important, for the purposes of the Consolidated Plan, only those which are anticipated to be funded with CPD funding programs (CDBG, HOME, and ESG) during the five-year planning cycle are indicated to be high priorities. The County utilizes other funding sources to meet goals that are not considered high priority in the Consolidated Plan. The County established priorities for allocating CPD funds based on a number of criteria, including:

- Urgency of needs
- Cost efficiency
- Eligibility of activities/programs
- Availability of other funding sources to address specific needs
- Funding program limitations
- Capacity and authority for implementing actions
- Consistency with countywide goals, policies, and efforts

Needs that have been determined to be a High Priority level will receive funding during the Five-Year Consolidated Plan. The priorities for the FY 2020-2024 Consolidated Plan, established in consultation with residents and community groups, include the following:

High Priority

- Expand and preserve the supply of affordable housing to create housing opportunities for low- and moderate-income households and homeless individuals and families
- Strengthen, preserve, and enhance the physical character and quality of life in Orange County’s low- and moderate-income neighborhoods, including the housing stock and public infrastructure and facilities.
- Continue to build the capacity of residents to empower themselves and help strengthen their community, through the funding of needed public services for seniors, the homeless, and those at risk of homelessness.
- Planning and administration.

3. Evaluation of past performance

During the last Five-Year Consolidated Plan for FY 2015-2019, the Urban County met or exceeded most all of its five-year goals and objectives. As of FY 2018, the Urban County has already completed 211 percent of its public service goals, serving over 54,000 people through a number of programs including community center services, senior services, and fair housing services. A number of public facilities and infrastructure improvements were also completed during the FY 2015-2019 period. As of FY 2018, the Urban County had made improvements to public facilities that have provided services to over 250,000 people. Additional accomplishments for FY 2019 will be included in the CAPER that had its due date extended to January 2021.

The Urban County has also made progress in its housing rehabilitation objectives. Housing & Community Development works in collaboration with five cities in administrating CDBG Housing Rehabilitation projects throughout the County. Housing rehabilitation programs were also implemented and administered by the cities of

Brea, Cypress, Placentia, Seal Beach and Yorba Linda. Since FY 2015, the Urban County's various housing rehabilitation programs have rehabilitated 530 single-family homes.

HOME funds are currently set-aside for Permanent Supportive Housing activities under the County's 2016 Supportive Housing Notice of Funding Availability (PSH NOFA).

4. Summary of citizen participation process and consultation process

Citizen participation is one of the most important components of the Consolidated Plan and Action Plan process. The County will provide community residents and other members of the public with reasonable notice and an opportunity to comment on the Consolidated Plan and Annual Action Plan, and on substantial amendments to the plans. Reasonable notice and an opportunity to comment will be given through written public notices that will advise interested persons of the process to submit comments. Specifically, the County shall provide not less than 30 calendar days to receive comments on the Consolidated Plan, Annual Action Plan and substantial amendments to the plans. All CPD documents shall include a summary of all comments received during the public comment period.

Public Review of Draft Documents: A 30-day public review was held from March 27, 2021 to April 26, 2021 for the FY 2021-22 Annual Action Plan and from May 14, 2021 to June 15, 2021. Copies of the draft Consolidate Plan and Action Plan were made available for the public at the following location:

- www.occr.ocgov.com/hcd/community

The final Consolidated Plan, amendments to the Plan, and annual performance reports will be available for five years at the County Government Offices. Residents affected by the Plan's implementation have access to the County's Plans.

Public Hearing: A public hearing before the Board of Supervisors was held on June 22, 2021 for the adoption of the Substantial amendment to the Consolidated Plan and the FY2020-2021 Annual Action Plan.

5. Summary of public comments

A summary of the public comments received is provided in Appendix A.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments received were accepted and summarized in Appendix A.

7. Summary

See above.

Background

The County of Orange receives regular formula-based entitlement grants CDBG funds through the United States Department of Housing and Urban Development (HUD) each year. HUD provides annual grants on a formula basis through the CDBG Program to jurisdictions to develop viable urban communities through the provision of decent housing and a suitable living environment and the expansion of economic opportunities, principally for low- and moderate-income persons.

The County, as an urban county entitlement jurisdiction, is eligible to receive CDBG funds from HUD to administer the CDBG Program on behalf of the cities of Brea, Cypress, Dana Point, La Palma, Laguna Beach, Laguna Hills, Laguna Woods, Los Alamitos, Seal Beach, Stanton and Villa Park (Urban County Cities) that have populations of less than 50,000 residents. The County also administers the CDBG program for several cities of Placentia and Yorba Linda, as well as the unincorporated areas of Orange County.

A Substantial Amendment to the 2015 - 2019 Consolidated Plan and the 2019-20 Annual Action Plan was completed due to Congress passing the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020 and the President signing it authorizing \$2.2 trillion in a variety of stimulus measures. As part of the CARES Act, on April 2, 2020, HUD allocated the first round of funds to the County by regular formula for additional funding under CDBG-CV1 in the amount of \$1,925,926. This funding was specifically targeted to prevent, prepare for, and respond to the COVID-19 pandemic.

This Substantial Amendment to the 2020-2024 Consolidated Plan and the 2019-20 2020-21 Annual Action Plan is required to allow the Metro city of Yorba Linda to utilize their remaining 2020-21 Community Development Block Grant (CDBG) funds to be used to prevent, prepare for and respond to the coronavirus pandemic (COVID-19) by providing funding for the Small Business Relief Program.

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The County of Orange will receive the following funds for the Yorba Linda Small Business Relief Program:

\$145,386	Re-appropriation of Community Development Block Grants (CDBG) funds from FY 2020/21
\$145,386	Total funds to be allocated under this Substantial Amendment

The CDBG funds are subject to the CARES Act and emerging policy from HUD, the Orange County Board of Supervisors is responsible for determining how CDBG funds will be used to prevent, prepare for and respond to the COVID-19 virus. Therefore, the Orange County Board of Supervisors requests approval to invest FY 2020-21 CDBG funds for

activities listed below.

Proposed Uses of Funds

Yorba Linda Small Business Relief Program \$145,386

The County will administer the Small Business Relief Program funding for the metro city of Yorba Linda.

Table 1 – Expected New Resources

Program	Uses of Funds	Expected Amount Available				Narrative Description
		Allocation:	Program Income:	Prior Year Resources:	Total:	
CDBG	Small Business Relief Program for city of Yorba Linda to assist small business community with grant monies.	\$145,386	\$0	\$0	\$145,386	FY2020/21 CDBG formula re-allocation

Matching Requirements

The CDBG funds do not require a local matching funds contribution.

Note: Information on this page will also be used to update the 2020-24 Consolidated Plan “SP-35 Anticipated Resources” section, CDBG allocations shown in Table 1.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives Goals Summary Information

Goals Summary Information

Table 2 – COVID-19 Goals and Objectives

Goal Name	Time Period	Category		Needs Addressed	Funding	Goal Outcome Indicator
Goal 1 CDBG Urgent Needs Public Services Small Business Relief	FY2020-2021	Small Business Relief Small Businesses		Urgent Need for assistance to address COVID-19	CDBG: \$ \$145,386	Public service COVID-19 activities Small Business Relief Businesses 18
Description:	Subject to the CARES Act and emerging policy from HUD, including program regulations and waivers, CDBG funds will be used to provide vital public services designed to prevent, prepare for, and respond to the COVID-19 pandemic by providing funding for the Small Business Relief Program to low income business owners.					

Note: Information from this page will also be used to update the 2020-2024 Consolidated Plan “SP-45 Strategic Plan Goals” section, adding one goal shown in Table 2.

AP-35 Projects and activities

AP-35 Projects – 91.220(d)

Introduction

To address the CDBG goals, the County of Orange will invest these funds for the project activities shown in the tables below.

Table 3 – CDBG CV3 Project and Activities

1	Project Name	Yorba Linda Small Business Relief Program
	Target Area	Yorba Linda
	Goals Supported	CDBG and CDBG-CV
	Needs Addressed	Economic Development to prepare for, prevent and respond to the COVID-19 pandemic.
	Funding	
	Description	Subject to the CARES Act and emerging policy from HUD, including program regulations and waivers, CDBG funds will be used to provide activities designed to prevent, prepare for, and respond to the COVID-19 pandemic to carry out economic development activity for-profit businesses and also provide assistance to Microenterprises (w/five employees or fewer) that provide medical, food, delivery, cleaning and other services to support home health and quarantine and provide working capital to enable retention of jobs by low-mod persons (ie. rent, utility payments, etc.)
	Target Date	12/31/2021
	Estimate the number and type of families that will benefit	Approximately 18 businesses will benefit from this funding grants.
	Location	Yorba Linda
	Planned Activities	Yorba Linda Small Business Relief Program: \$145,386

AP-90 Program Specific Requirements

In the implementation of program activities under the CDBG-CV3 the Action Plan will follow all HUD regulations and some or all of the waivers made available by HUD concerning compliance matters such as program income and overall low- and moderate-income benefit (if applicable).

Community Development Block Grant Program (CDBG)

The following tables address HUD regulatory requirements at 24 CFR 92.220(l)(1) concerning program income and CDBG-CV low- and moderate-income benefit.

Table 4 – Program Income

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Table 5 – Low- and Moderate-Income Benefit

1. The amount of urgent need activities*	30%
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low- and moderate-income. Overall Benefit - A minimum overall benefit of 70% of CDBG funds is used to benefit persons of low- and moderate-income. Subject to change due to Urgent need	70%
Annual Action Plan	

*Note: The amount for Urgent Need activities may change depending on waivers issued by HUD subsequent to this Action Plan amendment.

APPENDIX A

Citizen Participation

Pursuant to HUD regulations, the County's Citizen Participation Plan, current HUD waivers for grant programs and consolidated plan requirements to prevent the spread of COVID-19, staff published a 30-day comment period the notice of Public Hearing beginning April 23, 2020 to May 26, 2021 for FY 2021-22 Annual Action Plan and beginning May 18, 2021 ending June 18, 2021 for the amendment to the City of Yorba Linda FGY 2020-21 contract. In addition, the Public Hearing was held on June 22, 2021, during a regularly scheduled Board of Supervisors meeting. The Public was able to provide feedback to the Board of Supervisors prior to approval of the Plan. Public comments and the County's Board of Supervisor's recommendations will be included in the Substantial Amendment to the 2020-2024 Consolidated Plan and the FY 2020-2021 Annual Action Plan.