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RESOLUTION NUMBER R- 307231

DATE OF FINAL PASSAGE JAN 12 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING A THIRD REALLOCATION OF CDBG-R FUNDS, AND AUTHORIZING THE MAYOR OR HIS DESIGNEE TO SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT A REVISED SECOND SUBSTANTIAL AMENDMENT TO THE CITY'S FISCAL YEAR 2009 ANNUAL ACTION PLAN AND TO EXECUTE AGREEMENTS WITH SELECTED AGENCIES.

WHEREAS, the American Recovery and Reinvestment Act of 2009 (ARRA) was approved by both houses of Congress on February 13, 2009 and signed by President Obama on February 17, 2009; and

WHEREAS, Title XII of ARRA has provided supplemental funds to the Community Development Block Grant (CDBG) program, known as CDBG Recovery (CDBG-R) funds; and

WHEREAS, the City of San Diego (City), as an entitlement city under the U.S. Department of Housing and Urban Development (HUD) CDBG program, received \$4,033,900 in CDBG-R funds; and

WHEREAS, on June 1, 2009, the City Council adopted Resolution No. R-304940 appropriating and allocating only \$4,033,000 of the \$4,033,900 in CDBG-R funds awarded to the City, including an allocation of \$1,807,000 as a local match for Proposition 1C projects; and

WHEREAS, in early July 2009 the City was notified by the California Department of Housing and Community Development that the projects approved by Council to receive the \$1,807,000 in CDBG-R funds were not selected for Proposition 1C funding; and

WHEREAS, on August 31, 2009, the City Council adopted Resolution No. R-305197 reallocating \$1,800,000 of the \$1,807,000 in CDBG-R funds previously allocated to Proposition 1C projects to other eligible housing rehabilitation projects; and

WHEREAS, on November 23, 2009, the City Council adopted Resolution No. R-305430 appropriating \$900 in CDBG-R funds that were previously unallocated and reallocating \$7,900 in CDBG-R funds to the Mount Hope Market Street Median and Street Lighting project; and

WHEREAS, the construction and administration costs for the City's CDBG-R-funded projects are below their originally allocated budgets and staff has identified \$412,069.73 in CDBG-R funds in excess of anticipated project needs; and

WHEREAS, the City's CDBG-R funds must be fully expended and drawn down from the City's line of credit with HUD by September 30, 2012, or any unexpended funds will be recaptured by HUD; and

WHEREAS, the City's CDBG Program Office staff recommends that the City Council reallocate the excess CDBG-R funds to new CDBG-R eligible projects, and due to the need to expend remaining funds in a short time-frame further recommends that back-up projects be identified in case a new project is unable to expend allocated CDBG-R funds in timely manner; and

WHEREAS, given the limited CDBG-R funds available and the constraint that such funding has to be fully expended by September 30, 2012, the proposed new projects and back-up projects were selected using the remaining FY 2012 CDBG-R applications and considering the following factors: (1) the amount of funding requested; (2) the length of the construction period; and, (3) the estimated number of jobs created or retained; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego as follows:

1. That the Chief Financial Officer is authorized to decrease the Fiscal Year (FY) 2012 Capital Improvement Project (CIP) Program Budget in Fund 600000, Grant No. 1000222-2010, by \$241,337.20.

2. That the Chief Financial Officer is authorized to de-appropriate \$241,337.20 in Fund 600000, Grant No. 1000222-2010, from CIP projects in the following amounts:

- a. Montgomery Waller Recreation Center ADA Improvements (B-00946):
\$158,399.65
- b. Mount Hope Market Street Median and Street Lighting (S-10088):
\$82,937.55

3. That the Chief Financial Officer is authorized to de-appropriate \$170,732.53 in CDBG-R funds in Fund 600000, Grant No. 1000222-2010, from the projects and activities specified below in the following amounts:

- a. San Diego Apartments (Internal Order No. AI1000222-10): \$384.47
- b. Euclid Court Apartments (Internal Order No. AH1000222-10): \$5,348.06
- c. CDBG-R Administration (Internal Order No. AG1000222-10):
\$165,000.00

4. That the Chief Financial Officer is authorized to appropriate and expend a total of \$412,069.73 in CDBG-R funds to fund new projects in the following amounts, contingent upon the Chief Financial Officer certifying that funds are available:

- a. Father Joe's Villages – Village Rehabilitation Project (Paul Mirabile Center): \$300,000.00
- b. The Arc of San Diego – North Shores Vocational Center Roof Replacement Project: \$112,069.73

5. That if the Father Joe's Villages – Village Rehabilitation Project (Paul Mirabile Center) is not able to expend the allocated CDBG-R funds in a timely manner as determined by the Deputy Director of the City's Economic Development Division, the Chief Financial Officer is authorized to reallocate that project's CDBG-R funds to the La Maestra Family Clinic, Inc. – Heart of the Community Campaign - Radiology Room project in an amount not to exceed the remaining balance in the Father Joe's Villages Project up to \$300,000.00.


6. That if the Arc of San Diego – North Shores Vocational Center Roof Replacement Project is not able to expend the allocated CDBG-R funds in a timely manner as determined by the Deputy Director of the Economic Development Division, the Chief Financial Officer is authorized to reallocate that project's CDBG-R funds to the St. Paul's Senior Homes and Services – St. Paul's Capital Improvements Project in an amount not to exceed the remaining balance in the Arc of San Diego project up to \$112,069.73.

7. That the Mayor or his designee is authorized to submit to HUD a revised Second Substantial Amendment to the City's Fiscal Year 2009 Annual Action Plan identifying the new projects, revised funding amounts, and back-up projects approved for CDBG-R funding as set forth herein.

8. That the Mayor or his designee is authorized to negotiate and execute agreements with those agencies for administration of projects and activities selected for CDBG-R funding as

set forth herein, contingent upon the Chief Financial Officer certifying that the funds are available.


APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Kenneth So
Deputy City Attorney

KS:mm:als
12/22/2011
Or.Dept: Economic Development
R-2012-340
PL #2011-08303

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JAN 10 2012.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 1-12-12
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor