

RESOLUTION NUMBER R- 307972

DATE OF FINAL PASSAGE FEB 12 2013

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO REPROGRAMMING UNEXPENDED COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS, AUTHORIZING THE CHIEF FINANCIAL OFFICER TO REDUCE THE CITY'S CAPITAL IMPROVEMENT PROGRAM BUDGET AND DE-APPROPRIATE CERTAIN CDBG FUNDS, AUTHORIZING THE CHIEF FINANCIAL OFFICER TO APPROPRIATE AND EXPEND UNEXPENDED CDBG FUNDS AND PROGRAM INCOME TO DEFEASE CERTAIN IDENTIFIED HUD SECTION 108 LOANS.

WHEREAS, the City of San Diego (City), as an entitlement jurisdiction, receives Community Development Block Grant (CDBG), HOME, Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) funds on an annual basis from the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the CDBG regulations at 24 CFR 570.902(a), commonly known as the "timeliness rule," state that HUD will consider an entitlement jurisdiction to be failing to carry out its CDBG activities in a timely manner if, sixty days prior to the end of the grantee's current program year, the amount of entitlement grant funds available to the recipient but undisbursed by the U.S. Treasury is more than 1.5 times the entitlement grant amount for its current program year; and

WHEREAS, HUD notified the City on May 17, 2010, that it is out of compliance with the timeliness rule; and

WHEREAS, on August 25, 2010, HUD placed the City on a "work-out plan" that identified a CDBG funds expenditure trend-line that must be adhered to and corrective actions that will be taken to bring the City into compliance with the timeliness rule by April 30, 2011; and

WHEREAS, on January 31, 2011, the Council of the City of San Diego (Council) adopted Resolution No. R-306574, which authorized the reprogramming of over \$12 million in unexpended CDBG funds in Fiscal Year 2011 towards the defeasance of various Section 108 loans in order to bring the City into compliance with HUD's timeliness rule for Fiscal Year 2011; and

WHEREAS, on January 10, 2012, the Council adopted Resolution No. R-307232, which authorized the reprogramming of over \$7 million in unexpended CDBG funds in Fiscal Year 2012 towards the defeasance of various Section 108 loans in order to bring the City into compliance with HUD's timeliness rule for Fiscal Year 2012; and

WHEREAS, City staff has completed a clean-up of CDBG Program accounting records and outstanding project balances for Fiscal Year 2013; and

WHEREAS, City staff has identified \$2,672,499.59 in unexpended CDBG funds allocated to projects by Council between 2009 and 2012 that cannot be expended on said projects by April 30, 2013, before HUD's next review of the City's timeliness rule compliance; and

WHEREAS, these CDBG funds must be expended and drawn from the U.S. Treasury in order to bring the City into compliance with the timeliness rule; and

WHEREAS, the City has a number of HUD Section 108 loans, which the City currently repays using City CDBG entitlement funds that could otherwise be awarded by Council to CDBG-eligible projects; and

WHEREAS, the repayment of these HUD Section 108 loans is the most expeditious method to fully and properly utilize these unexpended CDBG funds in order to comply with HUD's timeliness deadline; NOW, THEREFORE,

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

1. That the reprogramming of all CDBG Program unexpended project balances totaling \$2,672,499.59, which are identified in Attachment A to this resolution, to defease the City's HUD Section 108 loans is approved, contingent upon certification of fund availability by the Chief Financial Officer.

2. That the Chief Financial Officer or his designee is authorized to decrease the Fiscal Year (FY) 2013 Capital Improvement Project (CIP) Program Budget in Fund 600000, CDBG Program, by \$285,000 from WBS S10026 PALISADES PARK COMFORT STATION REPLACEMENT.

3. That the Chief Financial Officer or his designee is authorized to de-appropriate \$285,000 in Fund 600000, CDBG Program, from WBS S10026 PALISADES PARK COMFORT STATION REPLACEMENT.

4. That the Chief Financial Officer or his designee is authorized to appropriate \$154,722.58 of program income to FY 2013 108 Loan Defeasement Program, Fund 600000, Federal Grants, Grant No. 1000003-2013.

5. That the Chief Financial Officer or his designee is authorized to transfer appropriations in a total amount not to exceed \$2,517,777.01 in reprogrammed CDBG project balances to FY2013 108 Loan Defeasement Program, Fund 600000, Federal Grants, Grant No. 1000003-2013, which total consists of the following:


- (a) \$28,361.41 from FY 2012 Unobligated CDBG Program;
- (b) \$1,133,331.60 from FY 2013 Unobligated CDBG Program;
- (c) \$285,000 from the CIP project; and
- (d) \$1,071,084 from non-CIP projects.

6. That the Chief Financial Officer or his designee is authorized to appropriate and expend the reprogrammed CDBG project balances up to \$2,672,499.59 to defease the following identified HUD Section 108 loans in the following priority to the extent that such funds are sufficient to do so:

- (a) Camp Hope (Loan No. B-03-MC-06-0542-B);
- (b) Logan Heights Family Health Center (Loan No. B-98-MC-06-0542-A);
- (c) San Diego LGBT (Loan No. B-04-MC-06-0542); and
- (d) Central Police (Loan No. B-97-MC-06-0542), which is all contingent upon certification of fund availability by the Chief Financial Officer. Any remaining balance after the completion of this loan defeasance will be held until the next reprogramming and/or allocation process.

7. That the Chief Financial Officer or his designee is authorized to take any and all actions required to defease the identified HUD Section 108 loans including, but not limited to, negotiating and executing any necessary agreements.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Kenneth So
Deputy City Attorney

KS:nja
01/11/13
Or.Dept: Econ. Dev. Division
Doc. No. 488652_2

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JAN 28 2013.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 2/12/13
(date)


BOB FILNER, Mayor

Vetoed: _____
(date)

BOB FILNER, Mayor

Passed by the Council of The City of San Diego on JAN 28 2013, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
District 4 (Vacant)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage FEB 12 2013

AUTHENTICATED BY:

BOB FILNER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *W Stevenson Cruz*, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 307972

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
LIST OF UNUSED PROJECT BALANCES**

PROJECTS COMPLETED		
PROJECT	BALANCE	STATUS
ST LIGHTS IN D7	566.00	COMPLETE
OCEAN BEACH RECRTN	14,235.00	COMPLETE
ENCANTO COM PK CON	4,190.86	COMPLETE
MISSION BEACH COMMUN	5,579.78	COMPLETE
FY 12 UNOBLIGATE CDBG	3,789.77	COMPLETE
FY12 UNOBLIGATED CDBG PROGRAM	28,361.41	
ADA PROJECTS BACKLOG-CD5-SD REG	2,767.10	COMPLETE
LG ACMY MTZM S00972	124,366.74	COMPLETE
FY13 CDBG Balance	3,406.00	COMPLETE
HUD ADM-PE-12	455,504.48	COMPLETE
HUD ADM-NPE-12	37,861.85	COMPLETE
ACCESS-MICRO-12	8,473.37	COMPLETE
ACCION-MICROLEND-12	35,623.84	COMPLETE
HORN-REFUGEE-12	11,117.20	COMPLETE
UPAC-ECON DEV-12	11,620.10	COMPLETE
URBAN-GREEN-12	4,581.71	COMPLETE
CHW-HOMEOWN-12	5,626.50	COMPLETE
ALPHA-TAKE-12	21,730.05	COMPLETE
ANGEL-SR FOOD-12	12,615.28	COMPLETE
CCS-U R SOLTN-12	1,215.35	COMPLETE
4TH DIST-ENHANCE-12	12,535.47	COMPLETE
NFJW-WOMEN-12	25,404.39	COMPLETE
PRO KIDS-EXPAND-12	20.82	COMPLETE
SDHC-CORTEZ-12	3,141.95	COMPLETE
SDHC-HEWSP-12	32,797.05	COMPLETE
SDWFP-HIRE YTH-12	40,883.88	COMPLETE
SAY-TEEN-12	636.12	COMPLETE
SVDP-HOMELESS-12	31,500.62	COMPLETE
STAR/PAL-YTH-12	20,131.64	COMPLETE
SEC 108-COL/ROL-12	0.05	COMPLETE
SEC 108-D4 SR CTR-12	0.05	COMPLETE
SEC 108-LGM FAM-12	0.20	COMPLETE
FY12 108 LOAN DEFEAS	21,313.17	COMPLETE
HUD ADMIN-11	15,061.65	COMPLETE
SOUTHWEST CLG AST-11	6,434.34	COMPLETE
REBUILD SD-11	87,965.94	COMPLETE
REBUILD SD HOME-11	3,794.39	COMPLETE
SD IMP CNTY HOME-11	21,855.99	COMPLETE
MENTOR PROTÉGÉ-11	551.87	COMPLETE
PROJECT MGMT - FY10	11,269.05	COMPLETE
LINDA VISTA THTR 10	625.00	COMPLETE
MCAFEER RESIDENCE 10	10.00	COMPLETE
TREESMART SD 10	13,811.29	COMPLETE

PROJECTS COMPLETED

PROJECT	BALANCE	STATUS
AFFD HSG REH-WINSON	7,707.15	COMPLETE
REBUILD CITY HGHT 10	1.00	COMPLETE
NORTH SHORES VOC CTR	3,940.85	COMPLETE
CDBG ADMIN PE & NPE	9,580.04	COMPLETE
CDBG CONSULTANTS(2)	208.00	COMPLETE
PE AND NPE PROJ MGMT	15,622.77	COMPLETE
CITY OF SD-PROJ MGMT	9,872.16	COMPLETE
LSNP ENF/OUTREACH	145.13	COMPLETE
FY13 UNOBLIGATED CDBG PROGRAM	1,133,331.60	

PROGRAM INCOME	154,722.58	
PROGRAM INCOME	154,722.58	

PROJECTS NOT COMPLETED

PROJECT	BALANCE	STATUS
CITY-PR-PALISADES-13	285,000.00	CONTRACT NOT EXECUTED
CAPITAL IMPROVEMENT PROJECT (CIP)	285,000.00	

ELDERHELP OF SD-11	400,000.00	DECLINED FUNDS
ELDER-COMM CTR-12	400,000.00	DECLINED FUNDS
CROSSROADS-ADA COMP	24,925.00	DECLINED FUNDS
AFFORD HSNR REHAB 10	65,000.00	CONTRACT EXPIRED
NEIBRHD BIKE RACK 10	40,000.00	DECLINED FUNDS
NEIL GOOD DAY CTR-09	141,159.00	CONTRACT EXPIRED
NON-CIP PROJECTS	1,071,084.00	

FY 13 REPROGRAMMING GRAND TOTAL **2,672,499.59**