

RESOLUTION NUMBER R- 310407

DATE OF FINAL PASSAGE MAY 04 2016

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE CITY OF SAN DIEGO FISCAL YEAR 2017 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) ENTITLEMENT PROGRAMS ANNUAL ACTION PLAN, APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY'S FISCAL YEAR 2015-2019 HUD ENTITLEMENT PROGRAMS CONSOLIDATED PLAN, AND AUTHORIZING SUBMITTAL OF SUCH PLANS TO HUD.

WHEREAS, the City of San Diego (City) is an entitlement jurisdiction that annually receives federal funds through four U.S. Department of Housing and Urban Development (HUD) housing and community development entitlement programs: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) (collectively, HUD Programs); and

WHEREAS, as an annual recipient of entitlement funds from HUD through the HUD Programs, the Council previously approved the City's Fiscal Year 2015-2019 Consolidated Plan (Consolidated Plan) pursuant to Resolution No. R-308904, dated April 30, 2014, establishing a consolidated planning process and budgetary priorities for expenditure of HUD Programs funding; and

WHEREAS, the Consolidated Plan assesses community development and affordable housing needs, identifies high priority goals, and outlines strategies to help the City meet these goals; and

WHEREAS, Council Policy 700-02 provides that CDBG funding priorities will be based upon the Consolidated Plan and prioritized annually by the Council; and

WHEREAS, the Consolidated Plan establishes budgetary priorities for CDBG allocations in the following categories: Capital Improvement Program (CIP), Community/Economic Development (CED), Public Services, and Administration; and

WHEREAS, the Consolidated Plan divides the CIP into two subcategories, City Capital Improvement Projects (City CIPs) and Nonprofit Capital Improvement Projects (NCIPs); and

WHEREAS, the Consolidated Plan outlines a strategy for the review and approval of City CIPs by the City's Capital Improvements Program Review and Advisory Committee (CIPRAC); and

WHEREAS, on January 28, 2016, CIPRAC recommended that the City Council approve six City CIP projects to be funded, in part, with Fiscal Year (FY) 2017 CDBG entitlement funds, and this recommendation was similarly forwarded to the Council by the City's Consolidated Plan Advisory Board (CPAB), on February 10, 2016, and the City's Infrastructure Committee, on February 24, 2016; and

WHEREAS, on March 9, 2016, the CPAB recommended funding certain projects and programs in other Consolidated Plan budgetary priority categories with a portion of the City's FY 2017 CDBG entitlement funds; and

WHEREAS, the San Diego Housing Commission (Housing Commission) administers the City's FY 2017 HOME and ESG programs (respectively, HOME Program and ESG Program); and

WHEREAS, budgetary priorities for the City's HOME and ESG programs have been established by the Housing Commission, within the framework of the Consolidated Plan, and included in the City's FY 2017 Annual Action Plan; and

WHEREAS, the County of San Diego (County) administers and draws down all the funds for operation of the City's FY 2017 HOPWA program; and

WHEREAS, budgetary priorities for the City's HOPWA program will be determined by the County, within the framework of the Consolidated Plan; and

WHEREAS, the Council approved program and project funding allocations for each of the four HUD Programs on March 22, 2016, pursuant to Resolution No. R-310318; and

WHEREAS, the City and the former Redevelopment Agency of the City of San Diego (Former RDA) entered into that certain "Repayment Agreement (CDBG Debt)," dated June 30, 2010, and that certain "Loan Agreement (Long-Term Debt)," dated March 1, 2011, evidencing the Former RDA's obligations to repay the City for CDBG and other HUD program funds previously loaned to the Former RDA; and

WHEREAS, due to the dissolution of the Former RDA by the California State Legislature in 2012, repayments under the Repayment Agreement and the Loan Agreement were suspended for several years; and

WHEREAS, due to changes in the redevelopment dissolution laws that became effective in 2015, the City, acting solely in its capacity as the successor agency to the Former RDA (Successor Agency), has resumed repayment of the Repayment Agreement and Loan Agreement obligations to the City; and

WHEREAS, potential Successor Agency payments to the City under the Repayment Agreement in FY 2017 may result in the City receiving as much as \$10,912,000 of additional

“Program Income” (as defined in the CDBG regulations) to the City’s CDBG Program during FY 2017; and

WHEREAS, this potential receipt of significant additional Program Income through repayments under the Repayment Agreement requires the City to make a substantial amendment to the Consolidated Plan addressing expenditure of such potential additional Program Income; and

WHEREAS, in anticipation of and subject to receipt of this potential additional Program Income to the City’s CDBG Program in FY 2017 and future fiscal years through repayments under the Repayment Agreement, the City proposes the following amendments to the Consolidated Plan: (1) stabilize the City’s annual CDBG entitlement resources at \$12,500,000 through FY 2019; (2) add a new “Challenge Grant” category to the annual budgetary priorities, as a subset of the Public Service category, designed to target resources to serve highly vulnerable populations by creating youth workforce opportunities and services to Veterans; (3) fund development of a “Non-profit Accelerator or Academy Program” from the Administration category to expand the capacity of new and small non-profits to effectively utilize the City’s CDBG resources, as well as attract private funding; and (4) establish and fund an “Affordable Housing Revolving Loan Fund,” with an initial investment of \$4,600,000, to increase affordable housing opportunities in the City, in partnership with the Housing Commission; and

WHEREAS, the City’s FY 2017 Substantial Amendment to the Consolidated Plan (Substantial Amendment) is Attachment 2 to Report to Council No. 16-034 (Staff Report) accompanying this Resolution; and

WHEREAS, the City’s FY 2017 Annual Action Plan (Action Plan) is Attachment 1 to the Staff Report; and

WHEREAS, the FY 2017 Action Plan represents implementation of the third year of the Consolidated Plan; and

WHEREAS, the Action Plan also serves as the City's FY 2017 funding application for CDBG funds in the amount of approximately \$10,897,246, HOME funds in the amount of approximately \$4,093,848, ESG funds in the amount of approximately \$992,604, and HOPWA funds in the amount of approximately \$2,855,967; and

WHEREAS, the Action Plan describes how the City's community development strategy will continue to rely on a multi-faceted approach to meeting the goals of the HUD Programs through partnerships with the public and private sector and nonprofit entities; and

WHEREAS, the City's FY 2017 Action Plan has been prepared in coordination with the Housing Commission and the County;

WHEREAS, the City's draft FY 2017 Action Plan and the draft Substantial Amendment were released for a 30-day public comment and review period on March 25, 2016; and

WHEREAS, hard copies of the City's draft FY 2017 Action Plan and the draft Substantial Amendment were made available for public review in the reference sections of the following City libraries: Central, Malcolm X, San Ysidro, Logan Heights and City Heights/Weingart; and

WHEREAS, hard copies of the City's draft FY 2017 Action Plan and the draft Substantial Amendment were also made available for public review at the Bayside Community Center, the Jacobs Center for Neighborhood Innovation, and the City's Economic Development Department; and

WHEREAS, the City's draft FY 2017 Action Plan and the draft Substantial Amendment were further made available for public review on the City's website ([www.sandiego.gov/cdbg](http://www.sandiego.gov/cdbg)) and the Housing Commission's website ([www.sdhc.org](http://www.sdhc.org)); and

WHEREAS, the public comment period for the City's draft FY 2017 Action Plan and the draft Substantial Amendment concluded on April 25, 2016; and

WHEREAS, on April 13, 2016, the CPAB conducted a public meeting to receive public comments on the FY 2017 Action Plan and FY 2017 Substantial Amendment; and

WHEREAS, on April 26, 2016, the Council conducted a noticed public hearing to receive evidence and testimony on the FY 2017 Action Plan and the FY 2017 Substantial Amendment;

NOW, THEREFORE,

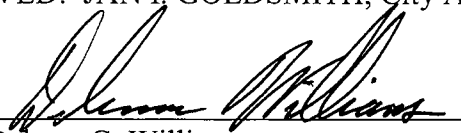
BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. The City's FY 2017 Annual Action Plan, included as Attachment 1 to the Staff Report, is approved.
2. The City's FY 2017 Substantial Amendment to its FY 2015 – FY 2019 Consolidated Plan, included as Attachment 2 to the Staff Report, is approved.
3. The Mayor, or designee, is authorized to make non-substantive changes to the City's FY 2017 Annual Action Plan and the Substantial Amendment to the City's FY 2015-2019 Consolidated Plan to finalize such plans and ensure that all approved activities and all public comments about such plans received by the City during the 30-day public comment period for the plans are included in the final plans, as applicable, and is further authorized to submit both final plans to HUD for approval.
4. The Mayor, or designee, is authorized to negotiate and enter into a Memorandum of Understanding with the Housing Commission establishing an "Affordable Housing Revolving

Loan Fund” and providing for the Housing Commission to administer such fund (Revolving Loan Fund), contingent upon the City’s Chief Financial Officer certifying that funds are available.

5. The allocation to the Revolving Loan Fund of money received from the Successor Agency as repayment under the Repayment Agreement in an amount not to exceed \$4,600,000 is approved, contingent upon the City’s Chief Financial Officer certifying that the funds are available.

APPROVED: JAN I. GOLDSMITH, City Attorney

By:   
Delmar G. Williams  
Deputy City Attorney


DGW: meb  
04/8/16  
Or.Dept: Economic Dev’t  
Doc. No.: 1258569

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 26 2016.

ELIZABETH S. MALAND  
City Clerk

By:   
Deputy City Clerk

Approved: 5/3/16  
(Date)

  
KEVIN L. FAULCONER, Mayor

Vetoed: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor



Passed by the Council of The City of San Diego on APR 26 2016, 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"/>
Lorie Zapf	<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"/>
Myrtle Cole	<input checked="" 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"/>
Chris Cate	<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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 04 2016

**(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)**

AUTHENTICATED BY:

KEVIN L. FAULCONER  
Mayor of The City of San Diego, California.

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

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 310407