Item 200 Mon. 12/5/16 (R-2017-258)

RESOLUTION NUMBER R- 310812

DATE OF FINAL PASSAGE DEC 16 2016

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AMENDING COUNCIL POLICY 700-02 REGARDING THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, the Housing and Community Development Act of 1974 established the federal Community Development Block Grant (CDBG) program that is administered by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the City of San Diego (City) has received CDBG program entitlement funds annually since the inception of the CDBG program; and

WHEREAS, the primary goal of the CDBG program is to develop viable urban communities through the provision of decent housing, suitable living environments, and economic activities benefitting persons of low- and moderate-income; and

WHEREAS, the Council previously approved the City's Fiscal Year 2015-2019

Consolidated Plan (Consolidated Plan) pursuant to Resolution R-308904, dated April 30, 2014, establishing a consolidated planning process and budgetary priorities for expenditure of HUD programs funding received by the City, including annual CDBG program entitlement funds; and

WHEREAS, Council Policy 700-02 establishes the following three funding priorities for the City's annual CDBG program entitlement funds prior to any part of the City's annual CDBG program entitlement funds being made available for pursuing other goals set forth in the Consolidated Plan: (1) Section 108 loan payments; (2) Administration; and (3) Public services; and

WHEREAS, City staff has received comments and suggestions for improving Council Policy 700-02 from the City's Consolidated Plan Advisory Board (CPAB), members of the public, and CDBG program funding applicant agencies; and

WHEREAS, an ad hoc committee of the CPAB met on July 25, 2016, and September 9, 2016, to review Council Policy 700-02 and consider recommended policy revisions; and

WHEREAS, City CDBG program staff has considered the comments and suggestions received regarding Council Policy 700-02, best practices, lessons learned in the management of the City's annual CDBG program entitlement funds allocation process, and past performance of agencies that have received City CDBG program entitlement funds; and

WHEREAS, City CDBG program staff has recommended the following revisions to Council Policy 700-02: (1) clarify that a portion of CDBG program entitlement funds allocated to "administration" will be used for proactive outreach to encourage previously non-participating non-profit organizations to apply for annual CDBG program fund grants; (2) extend the completion timelines for City Neighborhood Infrastructure projects (City Projects) and Nonprofit Capital Improvement Projects (NCIP) from 18 months to 24 months to encourage greater participation in the capital improvement project category; (3) clarify the minimum required allocations for various activities to continue to ensure (a) that the cost of administering CDBG funded activities does not comprise an inordinately large portion of the activity costs and (b) proper oversight of CDBG program funded activities in accordance with HUD requirements; (4) clarify that annual CDBG program entitlement funds allocated for public service, community economic development, and other non-capital improvement activities must be expended within 12 months after the beginning of the fiscal year for which the funds are allocated; (5) clarify the "Homeless Set-Aside" by incorporating elements of Council Resolutions R-307701 and

R-309666; (6) require recorded restrictions or real property security for performance for NCIP activities to ensure the improved facilities will benefit low- and moderate-income persons for a minimum of five years after the date of project completion; (7) update the description of the CPAB's role in competitively-awarded CDBG program fund allocations, including annual review and approval of project scoring criteria for CPAB recommendations to the Council; (8) remove the provision regarding the "Phasing of Projects" and replace it with a restriction on consecutive annual NCIP applications for CDBG program funds to ensure NCIP agencies have the capacity to complete one NCIP activity before applying for CDBG program funds to initiate a second NCIP activity at the same location; (9) add a provision requiring a "periodic review" of Council Policy 700-02; and (10) general clarification of other language in the existing policy; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that Council Policy 700-02 titled "COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM" is amended as set 310812 on file in the office of the City Clerk. forth in Document RR-

APPROVED: JAN I. GOLDSMITH, City Attorney

By

elmar G. Williams Deputy City Attorney

DGW:dkr

October 31, 2016

Or.Dept: Econ. Dev.

Doc. No.: 1379084

meeting of DEC 0 5 26	one council of the City of San Diego, at the City of San Diego, at the Old
	ELIZABETH S. MALAND City Clerk
	Deputy Oty Clerk
Approved: 1)/14/16 (date)	KEVIN L. FAULCONER, Mayor
Vetoed: (date)	KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on _		DEC 0/8	2016 , by	, by the following vote:	
Councilmembers	Yeas	Nays	Not Present	Recused	
Sherri Lightner	\mathbb{Z}				
Lorie Zapf	, Z				
District 3 (Vacant)					
Myrtle Cole	Z				
Mark Kersey	Z				
Chris Cate	Z				
Scott Sherman	Z Z				
David Alvarez	Z				
Marti Emerald					
Date of final passageDEC_	1 6 2016 .				
(Please note: When a resolution approved resolution was returned		-	_	nge is the date the	
		KEVIN L. FAULCONER			
AUTHENTICATED BY:	Mayor of The City of San Diego, California.				
		ELIZABETH S. MALAND			
(Seal)		City Clerk of The City of San Diego, California.			nia.
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		Office of the City Clerk, San Diego, California			
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