

RESOLUTION NUMBER R- 311071

DATE OF FINAL PASSAGE APR 27 2017

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO REGARDING THE FISCAL YEAR 2018 U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
(HUD) ENTITLEMENT PROGRAMS AND RELATED
ACTIONS.

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, HUD has not yet informed the City of the amount of the City's Fiscal Year 2018 CDBG entitlement grant; and

WHEREAS, HUD has indicated that the City should proceed with its CDBG funds allocation process prior to receiving its HUD grant agreement to meet the Fiscal Year 2018 HUD Programs deadlines; and

WHEREAS, City staff estimates the City's Fiscal Year 2018 CDBG entitlement grant amount to be approximately \$10,352,384; and

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

WHEREAS, due to recent changes in the law dissolving California redevelopment agencies, the City, acting solely in its capacity as the successor agency to the Former RDA (Successor Agency), has resumed repayment of the Former RDA's CDBG obligations to the City, which will result in the City receiving significant amounts of "Program Income" (as defined in the CDBG regulations) during Fiscal Year 2018, estimated at \$17,656,000; and

WHEREAS, the City does not always allocate all CDBG entitlement funds to projects or services immediately, and some projects or contracts that receive an allocation of CDBG funds from the City withdraw, cancel or return unexpended funds to the City, and these funds are, collectively, "Reprogrammable Funds" that can be otherwise allocated by the City; and

WHEREAS, the City, as an annual recipient of entitlement funds from HUD through the HUD Programs, approved the City's Fiscal Year 2015-2019 Consolidated Plan (Consolidated Plan) setting forth a consolidated planning process and budgetary priorities for expenditure of funding received through the HUD Programs; 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 City Council, with funding in the categories of "Planning and Administration" and "Fair Housing" being deducted from the City's overall annual CDBG allocation prior to funding being made available to address other Consolidated Plan goals; and

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

WHEREAS, \$5,601,677 of Fiscal Year 2018 CDBG funding is allocated to "Administration," as set forth in detail in Attachment 11 to Report to City Council No. 17-023, dated April 11, 2017 (Staff Report); and

WHEREAS, \$4,201,258 of Fiscal Year 2018 CDBG funding is allocated to "Public Services," as set forth in detail in Attachment 11 to the Staff Report; 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, in Fiscal Year 2011, the City established a Consolidated Plan Advisory Board (CPAB) to serve in an advisory capacity to the Mayor, City Council, and City management on policy issues relating to the Consolidated Plan and provide recommendations regarding the allocation of HUD Programs funding; and

WHEREAS, on March 1, 2017, CIPRAC recommended that the City Council approve four City CIP projects to be funded, in part, with a combination of Reprogrammable Funds and Fiscal Year 2018 CDBG entitlement funds, and this recommendation was similarly forwarded to the City Council by both the CPAB, at its meeting on March 9, 2017, and the City Council's Infrastructure Committee, at its meeting on March 22, 2017, which recommendations are set

forth in Attachment 6 (Fiscal Year 2018 City Capital Improvement Projects) to the Staff Report; and

WHEREAS, at its meeting on March 9, 2017, the CPAB recommended funding certain activities in other budgetary priority categories with a portion of the City's Fiscal Year 2018 CDBG entitlement funds, and these recommendations are set forth in the following attachments to the Staff Report: Attachment 1 (Fiscal Year 2018 Public Services Projects); Attachment 2 (Fiscal Year 2018 Challenge Grant Projects); Attachment 3 (Fiscal Year 2018 Community/Economic Development Projects); Attachment 4 (Fiscal Year 2018 Nonprofit Capital Improvement Projects); and Attachment 5 (Fiscal Year 2018 Nonprofit Sustainability Projects); and

WHEREAS, the CPAB voted to forward to the City Council the CPAB's final scores and funding recommendations for the activities set forth in Attachments 1 through 5 to the Staff Report; and

WHEREAS, HUD has not yet informed the City of the amounts of the City's HOME, ESG, and HOPWA entitlement grants for Fiscal Year 2018; and

WHEREAS, City staff estimates the City's Fiscal Year 2018 HOME, ESG, and HOPWA entitlement grant amounts to be approximately \$3,889,156, \$942,974, and \$2,855,967, respectively; and

WHEREAS, the City desires that the San Diego Housing Commission (Housing Commission) continue to plan, coordinate, operate, administer, and implement programs for the operation of the City's Fiscal Year 2018 HOME and ESG programs (respectively, HOME Program and ESG Program); and

WHEREAS, the City desires that the County of San Diego (County) continue to plan, coordinate, operate, administer, implement, and draw down funds for the operation of the City's Fiscal Year 2018 HOPWA program; and

WHEREAS, the anticipated receipt of significant additional Program Income through repayments under the RDA Agreements requires the City to make a substantial amendment to the Consolidated Plan addressing expenditure of such anticipated additional Program Income; and

WHEREAS, in anticipation of and subject to receipt of this anticipated additional Program Income to the City's CDBG program in Fiscal Year 2018 and future fiscal years through repayments under the RDA Agreements, the City proposes amending the Consolidated Plan to include activities described in the City's new "CDBG Reinvestment Initiative," including: (1) Additional Challenge Grant funding; (2) Establish a TechHIRE Academy; (3) Establish a Summer Hire Program (Interns); (4) Provide Connect2Careers Gap Funding; (5) Provide additional funding for the City's Affordable Housing Revolving Loan Fund; (6) Rehabilitate and/or acquire homeless facilities; (7) Install smart street lighting; (8) Fund sustainability projects; (9) Establish an Early-Stage Development Accelerator; (10) Establish a Small Business Revolving Loan Fund; and (11) Establish a Business Assistance Fund; and

WHEREAS, the City's Fiscal Year 2018 Second Substantial Amendment to the Consolidated Plan (Second Amendment) is Attachment 9 to the Staff Report; and

WHEREAS, the City's Fiscal Year 2018 Annual Action Plan (Action Plan) is Attachment 10 to the Staff Report; and

WHEREAS, the Action Plan represents implementation of the fourth year of the Consolidated Plan; 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 Action Plan has been prepared in coordination with the Housing Commission and the County;

WHEREAS, the draft Action Plan and the draft Second Amendment were released for a 30-day public comment and review period on March 29, 2017; and

WHEREAS, hard copies of the draft Action Plan and draft Second 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 draft Action Plan and draft Second 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 draft Action Plan and draft Second Amendment were further made available for public review on the City's website (www.sandiego.gov/cdbg) and the Housing Commission's website (www.sdhc.org); and

WHEREAS, the public comment period for the draft Action Plan and draft Second Amendment will conclude on April 27, 2017; and

WHEREAS, on April 18, 2017, the CPAB conducted a public meeting to receive public comments on the draft Action Plan and draft Second Amendment; and

WHEREAS, on April 25, 2017, the Council conducted a noticed public hearing to receive evidence and testimony on the Action Plan and the Second Amendment; NOW, THEREFORE,

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

1. The Chief Financial Officer is authorized to accept Fiscal Year 2018 CDBG entitlement funds from HUD in the total amount provided in the final Program Year 2017 / Fiscal Year 2018 CDBG grant agreement between the City and HUD, estimated at \$10,352,384, and appropriate and expend such funds for the projects and programs approved for Fiscal Year 2018 CDBG entitlement funding in this Resolution, contingent upon Fiscal Year 2018 CDBG entitlement grant funding being secured by the City.

2. The funding recommendations for the City's Fiscal Year 2018 CDBG program detailed in Attachment 1 (Fiscal Year 2018 Public Services), Attachment 2 (Fiscal Year 2018 Public Services – Challenge Grant), Attachment 3 (Fiscal Year 2018 Community/Economic Development Projects), Attachment 4 (Fiscal Year 2018 Non-profit Capital Improvement Projects), Attachment 5 (Fiscal Year 2018 Nonprofit Sustainability Projects), and Attachment 6 (Fiscal Year 2018 City Capital Improvement Projects) to the Staff Report are approved, contingent upon the Chief Financial Officer certifying that Fiscal Year 2018 CDBG funds are available.

3. The allocation of Fiscal Year 2018 CDBG entitlement funding to the Housing Commission in a total amount not to exceed \$1,318,078 for the homeless programs identified in the Fiscal Year 2018 Action Plan and listed in Attachment 7 (Fiscal Year 2018 CDBG Homeless Set-Aside Projects) to the Staff Report, in accordance with Council Policy 700-02, is approved, contingent upon the Chief Financial Officer certifying that Fiscal Year 2018 CDBG entitlement grant funds are available.

4. The allocation of Fiscal Year 2018 CDBG Program Income for the City's Fiscal Year 2018 CDBG Reinvestment Initiative Programs, as described in Attachment 8 (Fiscal Year 2018 CDBG Reinvestment Initiative Programs) to the Staff Report, is approved, contingent upon the Chief Financial Officer certifying that Fiscal Year 2018 CDBG Program Income funds are available.

5. The Chief Financial Officer is authorized to accept, appropriate, and expend Fiscal Year 2018 HOME funds from HUD in the total amount provided in the final Program Year 2017 / Fiscal Year 2018 HOME Program grant agreement between the City and HUD, estimated at \$3,889,156, for the City's Fiscal Year 2018 HOME Program, contingent upon Fiscal Year 2018 HOME entitlement grant funding being secured by the City.

6. The Chief Financial Officer is authorized to increase the Fiscal Year 2017 HOME funds by \$21,979 and accept, appropriate, and expend up to \$21,979 in additional Fiscal Year 2018 HOME funds from HUD for the City's Fiscal Year 2018 HOME Program, contingent upon the Chief Financial Officer certifying that such Fiscal Year 2018 HOME funds are available.

7. The Chief Financial Officer is authorized to accept, appropriate, and expend Fiscal Year 2018 ESG funds from HUD in the total amount provided in the final Program Year 2017 / Fiscal Year 2018 ESG grant agreement between the City and HUD, estimated at \$942,974, for the City's Fiscal Year 2018 ESG Program, contingent upon Fiscal Year 2018 ESG entitlement grant funding being secured by the City.

8. The Mayor, or designee, is authorized to negotiate and enter into subrecipient agreements on behalf of the City with those nonprofit and governmental organizations whose projects or programs are approved in this Resolution for CDBG funding and identified in the Fiscal Year 2018 Action Plan, contingent upon the Chief Financial Officer certifying that the funds are available.

9. The Mayor, or designee, is authorized to enter into a second amendment to that certain Fiscal Year 2016 Emergency Solutions Grant (ESG) Subrecipient Agreement between the City of San Diego and the San Diego Housing Commission, effective July 2, 2015, to extend the term of the agreement through Fiscal Year 2018.

10. The Mayor, or designee, is authorized to enter into a second amendment to that certain Amended and Restated Fiscal Year 2016 CDBG and General Fund Agreement between the City of San Diego and the San Diego Housing Commission, effective September 15, 2015, to extend the term of the agreement through Fiscal Year 2018.

11. The Mayor, or designee, is authorized to enter into a second amendment to that certain Fiscal Year 2016 Home Investment Partnerships Grant (HOME) Subrecipient Agreement between the City of San Diego and the San Diego Housing Commission, effective July 2, 2015, to extend the term of the agreement through Fiscal Year 2018.

12. The Chief Financial Officer is authorized to accept repayments from the Successor Agency under the RDA Agreements in a total amount not to exceed \$17,656,000, as and to the extent approved by the California Department of Finance, as CDBG “Program Income” under Title 24 Code of Federal Regulations section 570.500, in the following amounts:

- a. \$500,000 included in the Successor Agency’s Ninth “Recognized Obligation Payment Schedule” submitted to the California Department of Finance for the second half of Fiscal Year 2016 (ROPS 9),
- b. \$8,000,000 included in the Successor Agency’s Tenth “Recognized Obligation Payment Schedule” submitted to the California Department of Finance for Fiscal Year 2017 (ROPS 10), and
- c. \$9,156,000 included in the Successor Agency’s Eleventh “Recognized Obligation Payment Schedule” submitted to the California Department of Finance for Fiscal Year 2018 (ROPS 11).

13. The Chief Financial Officer is authorized to appropriate and expend a total amount not to exceed \$17,656,000 of Program Income, as approved by the California Department of Finance on ROPS 9, ROPS 10 and ROPS 11, for projects approved for CDBG funding in this Resolution, contingent upon the Chief Financial Officer certifying that such funds are available.

14. The Mayor, or designee, is authorized to negotiate and enter into a Memorandum of Understanding with the San Diego Workforce Partnership (Workforce Partnership) establishing both a Code San Diego Program and an Internship Program (described in Attachment 8 to the Staff Report) and providing for the Workforce Partnership to administer such programs, contingent upon the Chief Financial Officer certifying that funds are available.

15. The Chief Financial Officer is authorized to:
 - a. Appropriate and expend \$1,230,110.73 [\$462,710.19 (general) and \$767,400.54 (Fiscal Year 2018 Successor Agency repayment)] of Program Income in Fund 600100.
 - b. Transfer appropriations of \$57,159 of Fiscal Year 2016 Unobligated CDBG Program in Fund 600000, Grant 1000003-2016, IO UC1000003-16 and \$1,231,443.27 of Fiscal Year 2017 Unobligated CDBG Program in Fund 600000, Grant 1000003-2017, IO UC1000003-17.
 - c. Appropriate and expend \$3,416,287 of the Fiscal Year 2018 CDBG Program Funds to increase the Fiscal Year 2018 CIP Program Budget in Fund 600000, Grant 1000003-2018, CDBG 2018, contingent upon certification of fund availability by the Chief Financial Officer.

16. The Chief Financial Officer is authorized to increase the Fiscal Year 2018 CIP Program Budget in Fund 600000, Grant 1000003-2018, up to \$5,935,000, contingent upon Council adoption of the Fiscal Year 2018 Appropriation Ordinance, Fiscal Year 2018 CDBG grant funding being secured by the City, and the Chief Financial Officer certifying that funds necessary for the expenditure are, or will be, on deposit with the City Treasurer, for the following stand-alone CIPs:

- a. Park de la Cruz Community Center & Gym Building – S16059
(\$3,700,000)
- b. Bay Terraces Community (Senior) Center – S16060 (\$500,000)
- c. Memorial Community Park Playground ADA Upgrades – S16020
(\$1,300,000)

d. Silver Wing Park Ballfield Lighting Phase II – S16051 (\$435,000)

17. The Mayor, or designee, is authorized and directed to stabilize the City's Fiscal Year 2018 CDBG program at \$12,500,000 by using Fiscal Year 2018 Program Income, to the extent that the City's CDBG entitlement grant amount is less than \$12,500,000, to completely fund the activities listed in Attachments 1 through 7 to the Staff Report, with the activities listed in Attachment 8 to the Staff Report being funded in the order listed in Attachment 8, as and to the extent that any remaining Fiscal Year 2018 Program Income is available to fund such activities.

18. The Chief Financial Officer is authorized to increase appropriations in Unobligated CDBG for Program Income revenue.


19. The Chief Financial Officer is authorized to transfer balances from declined, completed, or ineligible projects to Unobligated CDBG.

20. The Fiscal Year 2018 Second Substantial Amendment to the City's Fiscal Year 2015-2019 Consolidated Plan, in substantially the form of Attachment 9 to the Staff Report, is approved.

21. The City's Fiscal Year 2018 Annual Action Plan, in substantially the form of Attachment 10 to the Staff Report, is approved.

22. The Mayor, or designee, is authorized to make non-substantive revisions to the City's Fiscal Year 2018 Annual Action Plan and the Fiscal Year 2018 Second Substantial Amendment to the City's Fiscal Year 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.

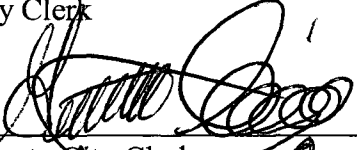
APPROVED: MARA W. ELLIOTT, City Attorney

By 
Delmar G. Williams
Deputy City Attorney

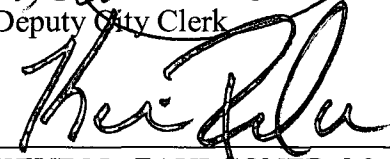
DGW:slo
04/11/17
04/26/17 REV.
Or.Dept: Economic Dev't
Doc. No.: 1462715_4

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 4/26/2017.

ELIZABETH S. MALAND
City Clerk

By  for Linda
Deputy City Clerk

Approved: 4/27/17
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 25 2017, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<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"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage APR 27 2017

(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.

(Seal)

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

By *Linda Arwin*, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- 311071