

RESOLUTION NUMBER R- 311700
DATE OF FINAL PASSAGE APR 25 2018

#205
4/23

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO REGARDING THE FISCAL YEAR 2019 U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ENTITLEMENT GRANT 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) entitlement grant programs: (1) Community Development Block Grant (CDBG); (2) HOME Investment Partnerships (HOME); (3) Emergency Solutions Grants (ESG); and (4) Housing Opportunities for Persons with AIDS (HOPWA) (collectively, HUD Programs); and

WHEREAS, HUD has not yet informed the City of the City's Fiscal Year 2019 CDBG, HOME, ESG, and HOPWA entitlement grant amounts; and

WHEREAS, HUD instructed the City to proceed with its annual HUD Programs funding allocation process prior to receiving its Program Year 2018 / Fiscal Year 2019 HUD Programs grant agreements in order to meet HUD's Program Year 2018 / Fiscal Year 2019 HUD Programs deadlines; and

WHEREAS, City staff estimates the City's Fiscal Year 2019 entitlement grant amounts to be as follows: CDBG - \$10,912,952, HOME - \$4,068,804, ESG - \$981,051, and HOPWA - \$3,445,253; 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, pursuant to the law dissolving California redevelopment agencies, the City, acting solely in its capacity as the successor agency to the Former RDA (Successor Agency), is repaying the Former RDA's CDBG obligations to the City with property tax increment revenue previously allocated to the Former RDA, resulting in the City receiving "Program Income" (defined in the federal CDBG program regulations at Title 24 Code of Federal Regulations section 570.500) during Fiscal Year 2019 in the amount of \$37,568,500; and

WHEREAS, the City 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, the Consolidated Plan's budgetary priorities for CDBG funding allocations include the following categories: Capital Improvement Program (CIP), Community/Economic Development, Public Services, and Administration; 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 for the categories of "Planning and Administration" and "Fair Housing" being allocated from the City's overall annual CDBG entitlement grant amount prior to funding being made available to address other Consolidated Plan goals; and

WHEREAS, \$6,302,589 of the City's Fiscal Year 2019 CDBG funds are allocated to "Administration," as described in Attachment 11 to the Staff Report, dated February 27, 2018, accompanying this Resolution (Staff Report); and

WHEREAS, \$7,272,218 of the City's Fiscal Year 2019 CDBG funds are allocated to "Public Services," as described 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, in Fiscal Year 2011, the City established a Consolidated Plan Advisory Board (CPAB) to advise the Mayor, City Council, and City management on policy issues relating to the Consolidated Plan and provide recommendations about allocation of HUD Programs funding; and

WHEREAS, at its meeting on March 14, 2018, the CPAB recommended allocating a portion of the City's Fiscal Year 2019 CDBG funds to finance the projects and programs specified in the following attachments to the Staff Report: Attachment 1 (Fiscal Year 2019 Public Services Projects); Attachment 2 (Fiscal Year 2019 Small/Emerging Nonprofit Projects); Attachment 3 (Fiscal Year 2019 Community/Economic Development Projects); Attachment 4 (Fiscal Year 2019 Nonprofit Capital Improvement Projects); Attachment 5 (Fiscal Year 2019 Nonprofit Sustainability Projects); and Attachment 6 (Fiscal Year 2019 Nonprofit Single Family Rehabilitation Projects); 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 2019 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 directly from HUD for the operation of the City's Fiscal Year 2019 HOPWA program; and

WHEREAS, the City's Fiscal Year 2019 Annual Action Plan (Action Plan) is Attachment 10 to the Staff Report; and

WHEREAS, the Action Plan implements the fifth year of the Consolidated Plan; and

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

WHEREAS, the Action Plan was prepared in coordination with the Housing Commission and the County;

WHEREAS, the draft Action Plan was released for a 30-day public comment and review period on April 6, 2018; and

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

WHEREAS, hard copies of the draft Action Plan 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 was further made available for public review on the City's website (www.sandiego.gov/cdbg); and

WHEREAS, the public comment period for the draft Action Plan concludes on May 5, 2018; and

WHEREAS, on April 11, 2018, the CPAB conducted a public meeting to receive public comments on the draft Action Plan; and

WHEREAS, on April 23, 2018, the City Council conducted a noticed public hearing to receive evidence and testimony on the draft Action Plan; NOW, THEREFORE,

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

1. The Mayor, or designee, on behalf of the City, is authorized to enter into each of the final Program Year 2018 / Fiscal Year 2019 CDBG, ESG, HOME, and HOPWA entitlement grant agreements with HUD.

2. The Chief Financial Officer is authorized to accept Fiscal Year 2019 CDBG entitlement grant funds from HUD in the total amount provided in the final Program Year 2018 / Fiscal Year 2019 CDBG grant agreement between the City and HUD, estimated at \$10,912,952, and appropriate and expend such funds for the projects and programs approved for Fiscal Year 2019 CDBG funding allocations in this Resolution, contingent upon Fiscal Year 2019 CDBG entitlement grant funding being secured by the City.

3. Fiscal Year 2019 CDBG funding is allocated to the projects and programs recommended for Fiscal Year 2019 CDBG funding allocations in Attachment 1 (Fiscal Year 2019 Public Services), Attachment 2 (Fiscal Year 2019 Small/Emerging Nonprofits), Attachment 3 (Fiscal Year 2019 Community/Economic Development Projects), Attachment 4 (Fiscal Year 2019 Nonprofit Capital Improvement Projects), Attachment 5 (Fiscal Year 2019 Nonprofit Sustainability Projects), Attachment 6 (Fiscal Year 2019 Nonprofit Single Family Housing Rehabilitation Projects), and Attachment 7 (Fiscal Year 2019 City Capital Improvement Projects) to the Staff Report, contingent upon the Chief Financial Officer certifying that Fiscal Year 2019 CDBG funds are available.

4. A total amount not to exceed \$1,318,078 of Fiscal Year 2019 CDBG funds are allocated to the Housing Commission for the homeless programs identified in the Action Plan and listed in Attachment 8 (Fiscal Year 2019 CDBG Homeless Set-Aside Projects) to the Staff Report, contingent upon the Chief Financial Officer certifying that Fiscal Year 2019 CDBG funds are available.

5. Fiscal Year 2019 CDBG Program Income funds are allocated to the City's Fiscal Year 2019 CDBG Reinvestment Initiative projects and programs listed in Attachment 9 (Fiscal Year 2019 CDBG Reinvestment Initiative Programs) to the Staff Report, contingent upon the Chief Financial Officer certifying that Fiscal Year 2019 CDBG Program Income funds are available.

6. The Chief Financial Officer is authorized to accept, appropriate, and expend Fiscal Year 2019 HOME funds from HUD for the City's Fiscal Year 2019 HOME Program in the total amount provided in the final Program Year 2018 / Fiscal Year 2019 HOME grant agreement between the City and HUD, estimated at \$4,068,804, contingent upon Fiscal Year 2019 HOME entitlement grant funding being secured by the City.

7. The Chief Financial Officer is authorized to accept, appropriate, and expend Fiscal Year 2019 ESG funds from HUD for the City's Fiscal Year 2019 ESG Program in the total amount provided in the final Program Year 2018 / Fiscal Year 2019 ESG grant agreement between the City and HUD, estimated at \$981,051, contingent upon Fiscal Year 2019 ESG entitlement grant funding being secured by the City.

8. The Mayor, or designee, on behalf of the City, is authorized to negotiate and enter into agreements or amendments to existing agreements, as applicable, with those nonprofit or government organizations whose projects or programs are allocated CDBG funding in this

Resolution, providing for expenditure of the CDBG funds for the purposes for which they were allocated, contingent upon the Chief Financial Officer certifying that Fiscal Year 2019 CDBG funds are available.

9. The Mayor, or designee, on behalf of the City, is authorized to enter into a third amendment to that certain Fiscal Year 2016 Emergency Solutions Grant (ESG) Sub-Recipient Agreement between the City and the Housing Commission, effective July 2, 2015, to extend the term of the agreement through June 30, 2019.

10. The Mayor, or designee, on behalf of the City, is authorized to enter into a third amendment to that certain Amended and Restated Fiscal Year 2016 CDBG and General Fund Agreement between the City and the Housing Commission, effective September 15, 2015, to extend the term of the agreement through June 30, 2019.

11. The Mayor, or designee, on behalf of the City, is authorized to enter into a third amendment to that certain Fiscal Year 2016 HOME Investments Partnerships Grant (HOME) Sub-Recipient Agreement between the City and the Housing Commission, effective July 2, 2015, to extend the term of the agreement through June 30, 2019.

12. The Chief Financial Officer is authorized to accept repayments from the Successor Agency under the RDA Agreements as Program Income, in accordance with the Successor Agency's Twelfth "Recognized Obligation Payment Schedule" submitted to and approved by the California Department of Finance for Fiscal Year 2019 (ROPS 12, also known as "ROPS 18-19"), in a total amount not to exceed \$37,568,500.

13. The Chief Financial Officer is authorized to appropriate and expend a total amount not to exceed \$37,568,500 of Fiscal Year 2019 CDBG Program Income received from the Successor Agency for the projects and programs approved for Fiscal Year 2019 CDBG

funding in this Resolution, contingent upon the Chief Financial Officer certifying that such Fiscal Year 2019 CDBG Program Income funds are available.

14. The Mayor, or designee, on behalf of the City, is authorized to negotiate and enter into a first amendment to that certain Memorandum of Understanding (MOU) between the City and the San Diego Workforce Partnership, effective July 1, 2017, to extend the term of the MOU through June 30, 2019.

15. The Chief Financial Officer is authorized to transfer, appropriate, and expend an amount not to exceed \$12,822.43 for the repayment of the Ocean Beach Library Section 108 Loan from the followings funds, contingent upon the Chief Financial Officer certifying that such money is available: (a) \$3,572.21 from Section 108 NTC Public Arts Center Fund (200429); and (b) \$9,249.92 from General Fund (100000) to the CDBG Program Income Fund (600100).

16. The Chief Financial Officer is authorized to:

- a. Appropriate and expend \$115,159.30 of Program Income in Fund 600000, Grant 1000003-2019 Unobligated CDBG 2019.
- b. Transfer appropriations of \$36,867.26 in Fiscal Year 2018 Unobligated CDBG Program, Fund 600000, Grant 1000003-2018, to Fund 600000, Grant 1000003-2019.
- c. Increase appropriations in Unobligated CDBG 2019 by \$12,822.43 from CDBG Program Income Fund (600100).

17. The Chief Financial Officer is authorized to increase the Fiscal Year 2019 CIP budget in Fund 600000, Grant 1000003-2019, up to \$5,000,000, and appropriate and expend such funds for the Bay Terraces Community Center – S16060 (\$5,000,000) CIP, contingent upon: (a) the City Council adopting the Fiscal Year 2019 Appropriation Ordinance; (b) Fiscal

Year 2019 CDBG entitlement grant funding being secured by the City; and (c) the Chief Financial Officer certifying that funds necessary for the expenditure are, or will be, on deposit with the City Treasurer.

18. The Mayor, or designee, is authorized and directed to stabilize the City's Fiscal Year 2019 CDBG program at \$12,500,000, to the extent that the City's Fiscal Year 2019 CDBG entitlement grant amount is less than \$12,500,000, by using Fiscal Year 2019 Program Income to completely fund the projects and programs recommended for funding in Attachments 1 through 8 to the Staff Report, with the projects and programs listed in Attachment 9 to the Staff Report being funded in the order listed in Attachment 9, as and to the extent any remaining Fiscal Year 2019 Program Income is available to fund such projects and programs.

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


20. The Chief Financial Officer is authorized to transfer balances from declined, completed, or ineligible projects, or Fiscal Year 2019 fund balance, to Unobligated CDBG.

21. The Chief Financial Officer is authorized to return or remit to HUD certain CDBG funds, such as Program Income or interest earned, as required by the federal CDBG program regulations in Title 24 Code of Federal Regulations Part 570.

22. The City's Action Plan, in substantially the form of Attachment 10 to the Staff Report, is approved.

23. The Mayor, or designee, is authorized and directed to: (a) make non-substantive revisions to the Action Plan to ensure that all approved projects and programs and all public comments about the Action Plan received by the City during the 30-day public comment period are included in the final Action Plan; and (b) submit the final Action Plan to HUD for approval.

APPROVED: MARA W. ELLIOTT, City Attorney

By 
Delmar G. Williams
Deputy City Attorney

DGW:jdf
04/05/18
04/23/18 COR. COPY
Or.Dept: Economic Dev't
Doc. No.: 1722373

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

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

See Attached Memo and Signature Page

**Office of
The City Attorney
City of San Diego**

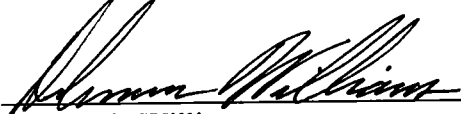
**MEMORANDUM
MS 59**

DATE: April 24, 2018
TO: City Clerk, Legislative Recorder
FROM: City Attorney
SUBJECT: Item 205, April 23, 2018

The attached resolution was corrected on page 10. The number 24 has been changed 23.

24. The Mayor, or designee, is authorized and directed to: (a) make non-substantive revisions to the Action Plan to ensure that all approved projects and programs and all public comments about the Action Plan received by the City during the 30-day public comment period are included in the final Action Plan; and (b) submit the final Action Plan to HUD for approval.


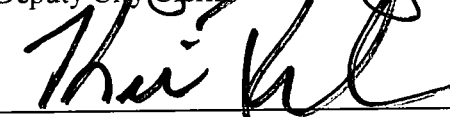
APPROVED: MARA W. ELLIOTT, City Attorney

By 
Delmar G. Williams
Deputy City Attorney

DGW:jdf
04/05/18
Or.Dept: Economic Dev't
Doc. No.: 1722373

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 23 2018.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

KEVIN L. FAULCONER, Mayor

Approved: 4/25/18
(date)

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 23 2018, 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 25 2018

(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 *Aty Brown*, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- 311700