

#603 4/24/23

(R-2023-565)

RESOLUTION NUMBER R- 314763

DATE OF FINAL PASSAGE MAY 01 2023

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
SAN DIEGO ALLOCATING FUNDING FROM THE FISCAL  
YEAR 2024 U.S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT ENTITLEMENT GRANT PROGRAMS,  
APPROVING THE FISCAL YEAR 2024 ANNUAL ACTION  
PLAN, AND TAKING 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, on February 27, 2023, HUD confirmed its annual HUD Programs funding allocation entitlement grant amounts for the HUD Program Year 2023 / City Fiscal Year 2024 HUD Programs grant agreements with the City, which are estimated at \$11,646,756 for CDBG, \$6,017,634 for HOME, and \$1,045,371 for ESG; and

WHEREAS, the City Council of the City of San Diego (Council) adopted the Fiscal Years 2020-2024 Consolidated Plan (Consolidated Plan) by Resolution R-312442, effective April 26, 2019, and the Consolidated Plan assesses community development and affordable housing needs and identifies seven high priority goals; and

WHEREAS, the Council adopted Resolution R-313042 on May 21, 2020, and Resolution R-313256 on October 19, 2020, approving substantial amendments to the Consolidated Plan to include funds allocated to the City's CDBG and ESG programs by the Coronavirus Aid, Relief, and Economic Security Act; and

WHEREAS, the City's Fiscal Year 2024 Annual Action Plan (FY24 Action Plan), a draft of which is included as Attachment 7 to the Staff Report (Report), is part of and implements the fifth year of the Consolidated Plan and serves as the City's annual application to HUD for entitlement grant funds, identifying the projects and programs to be funded by the City in Fiscal Year 2024; and

WHEREAS, the FY24 Action Plan is prepared in coordination with the San Diego Housing Commission (Housing Commission) and 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 Council authorized the designation of the County of San Diego (County) as the City's Alternative Grantee for the HOPWA Program effective October 10, 2018, by Resolution R-311983 and as a result, the HOPWA Program is no longer included in the City's Consolidated Plan or the annual action plans; 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 CDBG funds loaned by the City to the Former RDA (collectively, RDA Agreements); and

WHEREAS, the final CDBG Debt payment under the Repayment Agreement was made in Fiscal Year 2020 and only the repayments related to Long-Term Debt remain; and

WHEREAS, under the redevelopment dissolution laws, 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 2024 in the amount of \$15,000,000; and

WHEREAS, in Fiscal Year 2011, the City established a Consolidated Plan Advisory Board (CPAB) to advise the Mayor, the Council, and City management on policy issues relating to the Consolidated Plan and provide recommendations on the allocation of HUD Programs funding according to a competitive application process, as detailed in Attachment 8 (Summary of the FY 2024 CDBG Competitive Award Process) to the Report; and

WHEREAS, the CPAB members each individually reviewed and scored the project applications for Fiscal Year 2024 CDBG funding and ranked the projects in each individual funding category as detailed in the following attachments to the Report: Attachment 1 (FY 2024 Public Service Projects); Attachment 2 (FY 2024 Community Economic Development/Technical Assistance Projects); and Attachment 3 (FY 2024 Nonprofit Capital Improvement Projects - Facilities); and

WHEREAS, Council Policy 700-02 provides that CDBG funding priorities will be based upon the Consolidated Plan and prioritized annually by the Council, with funding for CDBG program administration, which may include "planning," "administration," and "fair housing" activities, 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, Council Policy 700-02 requires up to \$1,318,078 of the CDBG public services funds be set aside for the City's homeless programs, as detailed in Attachment 4 (FY 2024 Homeless Set-Aside Projects) to the Report; and

WHEREAS, the FY24 Action Plan includes recommendations to continue funding for certain multi-year projects previously approved by the Council, which include the City's Bridge to Home Affordable Housing Notice of Funding Availability (Affordable Housing NOFA) (Resolution R-313499, effective April 22, 2021), as detailed in Attachment 5 (FY 2024 Continuing Projects and Eligible Activities) to the Report; and

WHEREAS, in support of the Consolidated Plan goal of strengthening neighborhoods by investing in the City's critical public infrastructure and facility needs, FY 2024 CDBG funds are proposed for the City capital improvement projects (CIP), detailed in Attachment 6 (FY 2024 City Capital Improvement Projects) to the Report; and

WHEREAS, CPAB held publicly noticed meetings to discuss the FY24 Action Plan and Fiscal Year 2024 CDBG allocation process on August 10, 2022, September 1, 2022, October 12, 2022, January 11, 2023, February 3, 2023, and March 8, 2023; and

WHEREAS, CPAB considered and unanimously recommended the FY 2024 CDBG allocations detailed in Attachments 1-3 to the Report on March 8, 2023, and considered and unanimously recommended the draft FY24 Action Plan on April 12, 2023; and

WHEREAS, the draft FY24 Action Plan was released April 3, 2023, for a 30-day public comment and review period, which will end May 4, 2023, with hard copies of the draft available for public review at select City libraries and an electronic version of the draft available for public review on the City's website ([www.sandiego.gov/CDBG](http://www.sandiego.gov/CDBG)); and

WHEREAS, the deadline to submit the final FY24 Action Plan to HUD is May 15, 2023; and

WHEREAS, the City desires that the Housing Commission continue to plan, coordinate, administer, and implement programs for the operation of the City's Fiscal Year 2024 HOME and

ESG programs (respectively, HOME Program and ESG Program), which will be incorporated into the Housing Commission's Fiscal Year 2024 budget and into the final FY24 Action Plan submitted to HUD; and

WHEREAS, the Fiscal Year 2020 ESG, CDBG, and General Fund Subrecipient Agreement between the City and the Housing Commission for the operation of homeless shelters and services (ESG, CDBG, and General Fund Subrecipient Agreement), administered in accordance with the Memorandum of Understanding for the Provision of Homeless Shelters and Services between the City and the Housing Commission, provides for a one year term, with four additional one year options to extend, with each one year extension requiring City Council approval; and

WHEREAS, the ESG, CDBG, and General Fund Subrecipient Agreement will expire on June 30, 2023, and the City desires to exercise the fourth option to extend the term one year for Fiscal Year 2024; and

WHEREAS, the Office of the City Attorney has drafted this Resolution based on the information provided by City staff (including information provided by affected third parties and verified by City staff), with the understanding that this information is complete, true, and accurate; 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 HUD Program Year 2023 / City Fiscal Year 2024 CDBG, ESG, and HOME entitlement grant agreements with HUD.
2. The Chief Financial Officer is authorized to accept Fiscal Year 2024 CDBG entitlement grant funds from HUD in the total amount provided in the HUD Program Year 2023

/ City Fiscal Year 2024 CDBG grant agreement between the City and HUD, estimated at \$11,646,756, and appropriate and expend such funds for the projects and programs approved for Fiscal Year 2024 CDBG funding allocations in this Resolution, including the related CDBG program administration costs as described in the FY24 Action Plan, contingent upon Fiscal Year 2024 CDBG entitlement grant funding being secured by the City.

3. Fiscal Year 2024 CDBG funding is allocated to the projects and programs recommended for Fiscal Year 2024 CDBG funding allocations in Attachment 1 (FY 2024 Public Service Projects); Attachment 2 (FY 2024 Community Economic Development/Technical Assistance Projects); and Attachment 3 (FY 2024 Nonprofit Capital Improvement Projects - Facilities) to the Report; contingent upon the Chief Financial Officer certifying that Fiscal Year 2024 CDBG funds are available.

4. A total amount not to exceed \$1,318,078 of Fiscal Year 2024 CDBG funds are allocated to the homeless programs listed in Attachment 4 (FY 2024 Homeless Set-Aside Projects) to the Report, contingent upon the Chief Financial Officer certifying that Fiscal Year 2024 CDBG funds are available.

5. Fiscal Year 2024 CDBG funds are allocated for the continuing projects and eligible activities, as detailed in Attachment 5 (FY 2024 Continuing Projects and Eligible Activities) to the Report, contingent upon the Chief Financial Officer certifying that Fiscal Year 2024 CDBG funds are available.

6. Fiscal Year 2024 CDBG funds are allocated for City CIPs, as detailed in Attachment 6 (FY 2024 City Capital Improvement Projects) to the Report, contingent upon the Chief Financial Officer certifying that Fiscal Year 2024 CDBG funds are available.

7. The Chief Financial Officer is authorized to accept, appropriate, and expend Fiscal Year 2024 HOME funds from HUD for the City's Fiscal Year 2024 HOME Program in the total amount provided in the HUD Program Year 2023 / City Fiscal Year 2024 HOME grant agreement between the City and HUD, estimated at \$6,017,634, contingent upon Fiscal Year 2024 HOME entitlement grant funding being secured by the City.

8. The Chief Financial Officer is authorized to accept, appropriate, and expend Fiscal Year 2024 ESG funds from HUD for the City's Fiscal Year 2024 ESG Program in the total amount provided in the HUD Program Year 2023 / City Fiscal Year 2024 ESG grant agreement between the City and HUD, estimated at \$1,045,371, contingent upon Fiscal Year 2024 ESG grant funding being secured by the City.

9. 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 by the Council for Fiscal Year 2024 by adoption of this Resolution, as detailed in Attachments 1 to 6 to the Report or included in the approved FY24 Action Plan, providing for the expenditure of the allocated funds for the purpose for which they were allocated, contingent upon the Chief Financial Officer certifying that Fiscal Year 2024 CDBG funds are available.

10. The extension of the ESG, CDBG, and General Fund Subrecipient Agreement through June 30, 2024, is approved.

11. 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 Seventeenth "Recognized Obligation Payment Schedule" submitted to the California

Department of Finance for Fiscal Year 2024 (ROPS 17, also known as “ROPS 23-24”), in a total amount not to exceed \$15,000,000.

12. The Chief Financial Officer is authorized to appropriate and expend a total amount not to exceed \$15,000,000 in Fiscal Year 2024 CDBG Program Income received from the Successor Agency, for the projects and programs allocated CDBG funding by the Council for Fiscal Year 2024 by adoption of this Resolution, as listed in Attachments 1-6 to the Report or included in the approved FY24 Action Plan, contingent upon the Chief Financial Officer certifying that the funds are available.

13. The Chief Financial Officer is authorized to appropriate and expend Fiscal Year 2022 Program Income earned in the amount of \$39,528.55 in Fund 600000, CDBG Grant 1000003-2024.

14. The Chief Financial Officer is authorized to:

- a. Reduce the Fiscal Year 2023 CIP budget by de-appropriating \$1,070,000 in Fund 600000, Grant 1000003-2022 from AGF00007 Park Improvements (Hard Court Improvements – Five Locations) for the purpose of reprogramming to Fiscal Year 2024 Unobligated CDBG Grant, Fund 600000, Grant 1000003-2024.
- b. Transfer appropriations of \$787,211.71 in Unobligated CDBG Program Fund 60000, of which \$106,475.49 is from Grant 1000003-2018 and \$680,736.22 is from Grant 1000003-2019, to Fiscal Year 2024 Unobligated CDBG Grant, Fund 600000, Grant 1000003-2024.

15. The Chief Financial Officer is authorized to increase the Fiscal Year 2024 CIP budget and to appropriate and expend up to \$3,200,000 in Fund 600000, Grant 1000003-2024,



contingent on (a) the adoption of the Fiscal Year 2024 Appropriation Ordinance; (b) grant funding being secured; and (c) the Chief Financial Officer certifying that funds necessary for the expenditure are, or will be, on deposit with the City Treasurer for the following CIPs:

- a. S18001. University Avenue Complete Street Phase 1 - \$1,000,000.
- b. AGF00007. Park Improvements (B18005 John F. Kennedy Neighborhood Park Improvements) - \$1,000,000.
- c. AGF00007. Park Improvements (B20057 Coral Gate NP Playground Improvements) - \$1,200,000.

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

17. The Chief Financial Officer is authorized to transfer balances from declined, completed, canceled, or ineligible projects, or Fiscal Year 2023 fund balance, to Unobligated CDBG.

18. The Chief Financial Officer is authorized to transfer all Unobligated CDBG balances to and appropriate and expend for the Affordable Housing NOFA contingent upon: (a) the adoption of the Fiscal Year 2024 Appropriation Ordinance; (b) grant funding being secured; and (c) the Chief Financial Officer certifying that funds necessary for the expenditure are, or will be, on deposit with the City Treasurer.

19. 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.

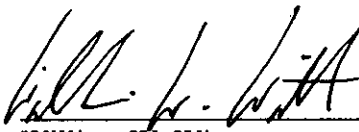
20. The FY24 Action Plan, in substantially the form of Attachment 7 to the Report, is approved.

21. The Mayor, or designee, is authorized to make non-substantive revisions to the FY24 Action Plan to ensure that all approved activities and all public comments about such plan received by the City during the public comment period are included in the final plan and further authorize the Mayor, or designee, to submit the final FY24 Action Plan to HUD for approval.

22. The Chief Financial Officer is authorized to:

- a. Transfer the \$25,000 non-refundable developer deposit for Serenade on 43rd from CDBG Grant 1000003-2023 to the Low and Moderate Income Housing Asset Fund 200708.
- b. Accept the \$25,000 non-refundable developer deposit into the Low and Moderate Income Housing Asset Fund 200708, and appropriate and expend such funds for administrative costs, consistent with applicable law.

APPROVED: MARA W. ELLIOTT, City Attorney

By   
William W. Witt  
Deputy City Attorney

WWW:jdf  
03/27/2023  
Or.Dept: Economic Dev't  
Doc. No.: 3274681

I certify that the foregoing Resolution was passed by the Council of the City of  
San Diego, at this meeting of APR 24 2023

DIANA J.S. FUENTES  
City Clerk

By Kristell Medina  
Deputy City Clerk

Approved: 5/1/23  
(date)

Todd Gloria  
TODD GLORIA, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on APR 24 2023, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kent Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 01 2023.

**(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:

TODD GLORIA  
Mayor of The City of San Diego, California.

(Seal)

DIANA J.S. FUENTES  
City Clerk of The City of San Diego, California.

By *Kristell Medina*, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 314763