

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: _____ REPORT NO: _____
ATTENTION: Council President and City Council
ORIGINATING DEPARTMENT: City Planning and Community Investment
SUBJECT: FY 2011 Community Development Block Grant (CDBG)
Program Scope Change or Agency Reallocation of Previously
Funded Projects
COUNCIL DISTRICT(S): Citywide
CONTACT/PHONE NUMBER: Angela Nazareno/619-236-6944

REQUESTED ACTIONS:

1. Authorize the change of project scope or agency reallocation of previously funded CDBG projects.
2. Authorize the Mayor or his designee to negotiate and execute agreements, with those agencies for which projects have been reallocated; contingent upon certification of fund availability by the City Comptroller.

STAFF RECOMMENDATIONS:

Adopt the Requested Actions.

SUMMARY:

The CDBG Program is administered by the Economic Development Division of the City Planning and Community Development Department. CDBG staff is responsible for grant compliance and overall administration of the City's CDBG Program.

In April 2010 of this year, while the clean-up was in process, HUD reviewed the City's CDBG performance for all HUD entitlement grants (CDBG, ESG, HOME, and HOPWA) to determine whether the City, as entitlement grant recipient, is carrying out its CDBG-assisted activities in a timely manner. HUD performs this review on an annual basis, 60 days prior to the end of each program year, to ensure that the City has no more than 1.5 times its current annual entitlement grant amount on hand in accordance with HUD's timeliness rule. In 2010, HUD reviewed the City's total amount of CDBG entitlement grant funds available on May 3, 2010 and found that the City was not in compliance. Part of the reason for the City's finding of non-compliance is that the City has approximately \$10 million in project balances from 1992 through 2010 that are not actively being spent on the projects approved by City Council. HUD notified the City on May 17, 2010 that the City currently had over 1.8 times its current annual entitlement amount on hand.

HUD placed the City's CDBG program on a "work-out plan" on August 25, 2010, which identifies an expenditure trend-line that must be adhered to and corrective actions that will be taken to bring the timeliness requirement to less than 1.5 times the City's entitlement by April 30, 2011. In accordance with the work out plan and to expedite the expenditure process, the following agencies are requesting a change in scope or agency name. They are as follows:

- Home Start agency requests a change in scope from acquisition to public facility and improvements. The budget consists of funding from FY 2010 for \$70,000 and FY 2011 for \$130,750 for a total of \$200,750.

- National Medical Association was acquired by the San Ysidro Health Center (SYHC). The new agency would like to continue with the same scope of public facility and improvements. The budget consists of funding from FY 2007 for \$80,500 and FY 2008 for \$25,000 for a total of \$105,500.

EQUAL OPPORTUNITY CONTRACTING:

This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708).

This Agreement is subject to the Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

FISCAL CONSIDERATIONS:

All funding for these actions comes from the U.S. Department of Housing and Urban Development and will have no impact on the City's General Fund.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

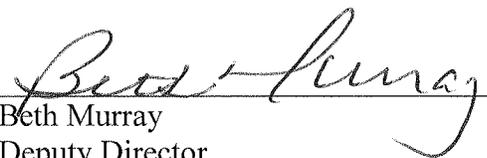
N/A.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

A Public Notice for the proposed reallocation is being published in the Union Tribune, San Diego Daily Transcript, La Prensa, the Voice & Viewpoint, Channel 24 (CityTV), and the City's CDBG program webpage (www.sandiego.gov/cdbg/general). The public will have an opportunity to comment when the City Council considers adoption of the revision at a public meeting.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Residents of low and moderate income communities.



Beth Murray
Deputy Director
Economic Development Division