

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
FOR THE REGULAR MEETING OF
TUESDAY, MARCH 3, 2009
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

The following items will be considered in the afternoon session which is scheduled to begin at 2:00 p.m.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTIONS:

ITEM-S500: Fiscal Year 2010 Community Development Block Grant Program (CDBG) and Emergency Shelter Grant Program (ESG) Entitlements. (Citywide.)

[▶ View referenced exhibit back-up material.](#)

(See memorandum from Bill Anderson dated 2/25/2009; CDBG Program Option B-2 (current staff recommendation); Option A (staff recommendation from 2/24/2009); and Option B-1 (staff data based on Council President Hueso’s 2/24/2009 comments); Report to the City Council No. 09-009; memoranda from Councilmember Lightner dated 1/30/2009, Councilmember Faulconer dated 2/5/2009, Councilmember Gloria dated 2/1/2009, Councilmember Young dated 2/3/2009, Councilmember DeMaio dated 2/3/2009, Councilmember Frye dated 2/6/2009, Councilmember Emerald dated 2/6/2009, Councilmember Hueso dated 2/5/2009; and Jay Goldstone both dated 1/30/2009.)

STAFF’S RECOMMENDATION:

Adopt the following resolution:

(R-2009-920)

Authorizing the City Comptroller to accept Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development for the City's FY 2010 CDBG Program;

Authorizing the City Comptroller to accept Emergency Shelter Grant (ESG) funds from the U.S. Department of Housing and Urban Development for the City's FY 2010 ESG Program;

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-S500: (Continued)

Authorizing the City Comptroller to accept the funding appropriations from SDHC for the Homeless Emergency Winter Shelter Program and the Regional Taskforce on the Homeless projects, contingent upon approval by the Housing Commission Board and the Housing Authority and contingent upon certification of fund availability by the City Comptroller;

Approving the funding allocations and recommendations for the City's FY 2010 CDBG Program set forth in Option B-2, contingent upon certification of fund availability by the City Comptroller, and declare that any additional discretionary CDBG Program income that becomes available to the City will be dedicated to the Housing Commission up to and until the Housing Commission's Fiscal Year 2010 allocation reaches \$1,277,478; and furthermore declare that any additional CDBG Program income received by the City beyond \$1,277,478 will be brought back to the City Council for final determination as to its disposition;

Approving the funding allocations recommendations for the City's FY2010 ESG Program and the San Diego Housing Authority Funding appropriations;

Authorizing the Mayor, or his designee, to negotiate and execute agreements, with those agencies for which projects and programs have been approved for CDBG and ESG funding, contingent upon certification of fund availability by the City Comptroller;

Authorizing the City Comptroller to appropriate and expend the CDBG funds for the City's Funding Obligations and those projects and programs approved for CDBG and ESG funding, contingent upon adoption of the FY 2010 Appropriation Ordinance and contingent upon certification of funds availability by the City Comptroller;

Declaring that the City's Funding Obligations and those projects and programs approved for CDBG and ESG funding be incorporated into the City's FY 2010 Five-Year Consolidated Plan and Annual Action Plan;

Authorizing the Mayor, or his designee, to suspend the initiation of new HUD Section 108 Loans during FY 2010 that rely on CDBG and/or General Funds as a repayment source.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-S500: (Continued)

STAFF SUPPORTING INFORMATION:

The Federal Housing and Community Development Act of 1974 established the Community Development Block Grant (CDBG) Program, which is administered by the Department of Housing and Urban Development (HUD). The City of San Diego (City) has received CDBG Entitlement funds annually since its inception. The overarching goal of the CDBG Program is to develop viable urban communities through the provision of decent housing, suitable living environments, and economic activities for persons of low and moderate income. The City has not yet received confirmation from HUD of the federal entitlement amounts to be awarded to the City for FY 2010. However, HUD has indicated that the City should proceed with an allocation process to meet the existing deadlines. As such, the FY 2010 CDBG entitlement budget being presented for approval represents an estimated breakdown that includes a 10% reduction from FY 2009. Based on a 10% reduction formula, the City's CDBG entitlement grant amount for FY 2010 totals \$13,366,448 which is a \$1,486,073 reduction from Fiscal Year 2009.

Once HUD confirms the City's actual FY 2010 CDBG and ESG Entitlement Fund amounts, a second allocation hearing will be scheduled to incorporate additional increases to the funding levels being presented in this action. As with this action, additional FY 2010 CDBG Entitlement funding considerations will be limited to the 107 eligible FY 2010 CDBG Applications. In accordance with Council Policy 700-02 "Community Development Block Grant Program", each Councilmember identifies their respective funding priorities in a written memorandum, which is then submitted to the CDBG Office. The Mayor's Office puts forth funding recommendations for discretionary funding in the "Citywide" category and forwards them to the CDBG Office. Option A (Attachment 1), Option B-1 (Attachment 2), and Option B-2 (Attachment 3) are being presented as three alternatives for Council to determine and approve the City's FY 2010 CDBG Funding Obligations budget and respective funding recommendations forwarded by the Mayor and each Council office. The City is also required to make recommendations for the ESG Program. The FY 2010 ESG entitlement budget of \$598,129 represents a 10% reduction from FY 2009. For FY 2010, the recommendation is to continue to allocate the City's ESG entitlement funds to support the City's Cortez Hill Family Center and the Homeless Emergency Winter Shelter Program. In addition, SDHC has committed funds toward the Homeless Emergency Winter Shelter Program (\$380,000) and the Regional Task Force on the Homeless project (\$45,000). Acceptance of SDHC funds and approval for the funding of these projects is also being presented to Council.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-S500: (Continued)

FISCAL CONSIDERATIONS:

Funding available from the CDBG and ESG Entitlement Programs and the San Diego Housing Commission.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The FY 2010 CDBG and ESG application process was noticed on the City of San Diego's website, and notices were mailed to the City's CDBG mailing database which includes names and addresses of over 500 potential applicants. The Availability of Funds was also noticed in the San Diego Union Tribune newspaper and the Daily Transcript.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Residents of low and moderate income communities; community based organizations; community planning groups; and other community development organizations.

Murray/Anderson

Paul F. Prather – Deputy City Attorney