



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: July 16, 2008 REPORT NO: 08-115

ATTENTION: Council President and City Council  
Docket of July 29, 2008

SUBJECT: Authorization of CDBG funds for code enforcement and FY 2009  
Reprogramming of Community Development Block Grant (CDBG)  
funds for Council Districts 3, 4, 6, 7, 8 and Citywide

REFERENCE:

REQUESTED ACTION:

I. Code Enforcement

- That, based on the determination made by the City's Community Development Block Grant [CDBG] Program staff regarding Neighborhood Code Compliance Division's [NCCD's] compliance with the CDBG eligibility requirements for code enforcement activities set forth in 24 CFR 570.202(c), as stated in Report to the City Council No. \_\_\_\_\_, a copy of which is on file with the Office of the City Clerk as Document No. \_\_\_\_\_, the City Council hereby finds that NCCD is in compliance with the CDBG eligibility requirements for code enforcement activities set forth in 24 CFR 570.202(c):
  - a. the code enforcement activities conducted by NCCD relate to inspections for state and/or local code violations, and the enforcement of such codes;
  - b. such code enforcement activities are conducted by NCCD in "deteriorating" or "deteriorated" areas, as defined by NCCD; and
  - c. such code enforcement activities are conducted by NCCD together with public or private improvements, rehabilitation, or services to be provided, which, when taken together, may be expected to arrest the decline of each defined deteriorating or deteriorated area.
- Authorize the City Comptroller to appropriate CDBG revenues and expenses in the amount of \$224,943 (fund 100/dept 75) for code enforcement activities conducted by NCCD, including the allocations under Resolution No. R-303662 and any other allocations of CDBG funds made to NCCD by the City Council and/or the Mayor in

any subsequent reprogramming of CDBG funds in FY 2009, contingent upon the approval of the FY09 appropriation ordinance.

II. Reprogramming of CDBG funds

- Approve the reprogramming of CDBG funds for Council Districts 3, 4, 6, 7, 8 and Citywide, set forth in Report to the City Council No. \_\_\_\_\_, a copy of which is on file with the Office of the City Clerk as Document No. RR-\_\_\_\_\_, contingent upon certification of funds availability by the City Auditor and Comptroller.
- Authorize the Mayor or his designee to negotiate and execute agreements with those CDBG projects approved for funding, contingent upon certification of funds availability by the City Auditor and Comptroller.
- Authorize the City Comptroller to appropriate and expend the CDBG funds for the CDBG projects approved for funding.

STAFF RECOMMENDATION: Adopt the requested actions.

SUMMARY:

I. Code Enforcement:

When the FY 2009 CDBG allocations were being presented to City Council for approval on May 6, 2008, City staff was directed to return to City Council in July 2008 to provide confirmation that code enforcement activities conducted by the Neighborhood Code Compliance Division utilizing CDBG funds is in compliance with the CDBG eligibility requirements set forth in 24 CFR 570.202(c). Subsequent to that meeting, the City of San Diego CDBG Program negotiated an MOU with NCCD that met the CDBG eligibility requirements and included a Statement of Work that addresses each of the following:

- a. the code enforcement activities conducted by NCCD relate to inspections for state and/or local code violations, and the enforcement of such codes;
- b. such code enforcement activities are conducted by NCCD in “deteriorating” or “deteriorated” areas, as defined by NCCD; and
- c. such code enforcement activities are conducted by NCCD together with public or private improvements, rehabilitation, or services to be provided, which, when taken together, may be expected to arrest the decline of each defined deteriorating or deteriorated area.

Based on the details specified by NCCD, the CDBG Program has determined that NCCD's administration of the proposed activities listed in the Statement of Work is in compliance with the CDBG eligibility requirements for code enforcement activities set forth in 24 CFR 570.202(c).

## II. CDBG Reprogramming:

Each fiscal year, the City submits an Action Plan to HUD that includes information on the proposed CDBG allocations based on CDBG Applications received by the City. The FY 2009 CDBG allocations were approved by City Council on May 6, 2008 (R-303662).

The CDBG reprogramming process serves the purpose of making routine amendments to the Action Plan that will incorporate any changes to the allocations listed in the Action Plan approved by HUD. Some changes may be the result of cancelled projects, project savings, pending projects, utilization of reserve amounts, or a change in City priorities. This initial proposed FY 2009 CDBG reprogramming also includes changes that ensures compliance with the revised Council Policy 700-02 "Community Development Block Grant Program".

In January 2008, Council Policy 700-02 was revised to include the following:

- No allocation of CDBG funds will be made to a project for which a CDBG application has not been received by the City.
- No allocation of CDBG funds will be made to a project of less than \$25,000, unless funding at a lesser amount is necessary to complete a project.
- A Community-Based Development Organization (CBDO) certification process will be conducted in an effort to fund eligible project activities, as defined in the applicable U.S. Department of Housing and Urban Development regulations.
- No allocation of CDBG funds will be made to a subrecipient project in the category of "Planning", except for those subrecipients certified by the City as a Community Based Development Organization.
- All CDBG applicants shall attend mandatory workshops hosted by City staff during the annual CDBG application period.
- All CDBG funds allocated to projects shall be used within three years of the date of the allocation, or such funds are subject to being reprogrammed by the City Council.

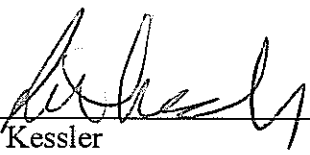
This action will reprogram CDBG funds for Council Districts 3, 4, 6, 7, 8 and Citywide. All CDBG transfers listed in **Attachment 1** are reprogrammed at the request of the respective Council member from each district and the Mayor.

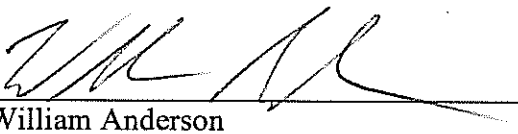
**FISCAL CONSIDERATIONS:** There is no impact to the General Fund from this action. Funds are available from the City of San Diego's Community Development Block Grant Entitlement – Fiscal Year 2009, Program Year 34.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:** FY 2009 CDBG Allocation; Council Action: May 6, 2008.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: This reprogramming of CDBG funds was noticed in the San Diego Union Tribune newspaper on Saturday, June 21, 2008. The information was also posted on the City of San Diego's website ([www.sandiego.gov/cdbg](http://www.sandiego.gov/cdbg)).

KEY STAKEHOLDERS AND PROJECTED IMPACTS: Residents of low and moderate income communities, community-based organizations, community planning groups, and other community development organizations. In addition, the agencies and reserve accounts mentioned in the list of reprogrammed projects (**Attachment 1**) would be impacted.

  
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Scott Kessler  
Deputy Director  
Economic Development Division

  
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William Anderson  
Deputy Chief Operating Officer  
City Planning and Development

**CITY OF SAN DIEGO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**  
**FISCAL YEAR 2009 (July 1, 2008 to June 30, 2009)**  
**ACTION PLAN AMENDMENTS**

**PROPOSED ACTION:**

City of San Diego Council Districts 3, 4, 6, 7, 8 and City Wide are planning to reprogram the following CDBG allocations:

**District 3:**

<b>From:</b>			<b>To:</b>		
Dept/Org	Project	Amount	Dept/Org	Project	Amount
4396/9603	Council District 3 CDBG Fund Reserves	\$175,000	New Project	San Diego LGBT Center - Sunburst Building Improvements	\$100,000
4364/6408	City Heights CDC - Cooperation Enterprise	\$25,000	New Project	Girl Scouts San Diego-Imperial Council, Inc. - The Adventure Zone	\$25,000
			New Project	SVDP Management, Inc. (dba. Father Joe's Villages) - Josue Homes Improvements	\$25,000
			4382/8225	San Diego Second Chance - Second Chance Community Resource Center	\$25,000
			4364/6407	City Heights CDC - Building Bridges for CHANGE	\$25,000
Subtotal		\$200,000	Subtotal		\$200,000

**District 4:**

<b>From:</b>			<b>To:</b>		
Dept/Org	Project	Amount	Dept/Org	Project	Amount
4396/9604	Council District 4 CDBG Fund Reserves	\$50,000	New Project	City County Reinvestment Task Force - Land Bank	\$25,000
			New Project	St. Stephens Interdenominational Alliance -Decent, Affordable, Suitable Living Opportunities	\$25,000
			Subtotal		\$50,000

**District 6:**

<b>From:</b>			<b>To:</b>		
Dept/Org	Project	Amount	Dept/Org	Project	Amount
4396/9606	Council District 6 CDBG Fund Reserves	\$224,943	New Project	City of San Diego, Neighborhood Code Compliance - Pro-Active Code Enforcement - D6	\$224,943
Subtotal		\$224,943	Subtotal		\$224,943

**District 7:**

<b>From:</b>			<b>To:</b>		
Dept/Org	Project	Amount	Dept/Org	Project	Amount
4362/6202	Alpha Project – Tree Planting	\$10,086	4362/6201	Alpha Project – Alpha House	\$10,086
4382/8201	Alliance for African Assistance – Crossroads Redevelopment District Bldg; Rehabilitation & ADA Compliance	\$3,000	4382/8201	Alliance for African Assistance – Installation of a New Backflow Device	\$3,000
Subtotal		\$13,086	Subtotal		\$13,086

**District 8:**

<b>From:</b>			<b>To:</b>		
Dept/Org	Project	Amount	Dept/Org	Project	Amount
4382/8226	South San Diego Planning and Education Project – Mural Program	\$100,000	New Project	City of San Diego, Redevelopment Agency – Barrio Logan Home Rehabilitation	\$100,000
Subtotal		\$100,000	Subtotal		\$100,000

**City Wide:**

<b>From:</b>			<b>To:</b>		
Dept/Org	Project	Amount	Dept/Org	Project	Amount
4396/9609	City Wide Reserves	\$135,000	New Project	Southwestern Community College District – Job Creation for Microenterprise	\$30,000
4360/6003	FY2008 CDBG Administration	\$35,000	New Project	Neil Good Day Center – Tenant Improvements	\$76,159
4380/8007	Engineering and Capital Projects – Administration/Deliverables	\$50,432	New Project	Neil Good Day Center – Public Service	\$38,841
			New Project	City of San Diego, Family Justice Center - San Diego Family Justice Center Improvements	\$25,000
			4382/8211	City of San Diego, Engineering and Capital Projects – Project/Construction Management and Deliverables	\$50,432
Subtotal		\$220,432	Subtotal		\$220,432

<b>Grand Total</b>	<b>\$808,461</b>	<b>Grand Total</b>	<b>\$808,461</b>
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New Projects will be assigned a Dept/Org upon Council approval of reprogramming allocations.