

RESOLUTION NUMBER R- 314092

DATE OF FINAL PASSAGE MAY 09 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ALLOCATING FUNDING FROM THE FISCAL YEAR 2023 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ENTITLEMENT GRANT PROGRAMS, APPROVING THE FISCAL YEAR 2023 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, HUD has not yet confirmed its annual HUD Programs funding allocation entitlement grant amounts for the City's Program Year 2022 / Fiscal Year 2023 HUD Programs grant agreements, estimated to be similar to the Fiscal Year 2022 allocations, which were \$12,478,662 for CDBG, \$5,782,329 for HOME and \$1,047,275 for ESG; and

WHEREAS, the Fiscal Years 2020-2024 Consolidated Plan (Consolidated Plan), was adopted by City Council by San Diego Resolution R-312442, effective April 26, 2019, and assesses community development and affordable housing needs and identifies seven (7) high priority goals; and

WHEREAS, City 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 (CARES) Act; and

WHEREAS, the City's Fiscal Year 2023 Annual Action Plan (FY23 Action Plan), a draft of which is included as Attachment 7 to the Staff Report (Report), is part of and implements the fourth 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 2023; and

WHEREAS, the FY23 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 San Diego Resolution No. 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 the City CDBG funds loaned 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, 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 2023 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, City 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 2023 CDBG Competitive Award Process) to the Report; and

WHEREAS, the CPAB members each individually reviewed and scored the project applications for Fiscal Year 2023 CDBG funding and ranked the projects in each individual funding category as detailed in the following attachments to the Report: Attachment 1 (FY 2023 Public Service Projects); Attachment 2 (FY 2023 Microenterprise Technical Assistance Projects); and Attachment 3 (FY 2023 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, on March 12, 2020, Mayor Kevin Faulconer proclaimed the existence of a local emergency in the City of San Diego as a result of the COVID-19 pandemic, which was ratified by the Council of the City of San Diego (Council) on March 17, 2020 and confirmed by the Council; and

WHEREAS, a waiver of certain requirements in Council Policy 700-02 may be needed for projects impacted by the COVID-19 emergency and for projects that prevent, prepare for or respond to the COVID-19 emergency, which are the minimum allocation of CDBG funds for projects, the 12-month and 24-month time limits on the expenditure of funds, attendance at mandatory workshops prior to application submittals, and the requirement for application submittals and CPAB review; 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 2023 Homeless Set-Aside Projects) to the Report; and

WHEREAS, the FY23 Action Plan includes recommendations to continue funding for certain multi-year projects previously approved by Council, which include the Homelessness Response Center (Resolution R-313275, effective October 19, 2020), and 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 2023 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 2023 CDBG funds are proposed for the City capital improvement projects (CIP), detailed in Attachment 6 (FY 2023 City Capital Improvement Projects) to the Report; and

WHEREAS, CPAB held publicly noticed meetings to discuss the FY23 Action Plan and Fiscal Year 2023 CDBG allocation process on August 11, 2021, October 21, 2021, January 12, 2022, March 15, 2022, and April 13, 2022, which meetings were held virtually due to the COVID-19 emergency; and

WHEREAS, CPAB considered and unanimously recommended the FY 2023 CDBG allocations detailed in Attachments 1-3 to the Report on March 15, 2022, and considered and unanimously recommended the draft FY23 Action Plan on April 13, 2022; and

WHEREAS, the draft FY23 Action Plan was released April 1, 2022 for a 30-day public comment and review period, which will end April 30, 2022, 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); and

WHEREAS, the deadline to submit the final FY23 Action Plan to HUD is May 15, 2022; and

WHEREAS, the City desires that the Housing Commission continue to plan, coordinate, operate, administer, and implement programs for the operation of the City's Fiscal Year 2023 HOME and ESG programs (respectively, HOME Program and ESG Program), which will be incorporated into the Housing Commission's Fiscal Year 2023 budget and into the final FY23 Action Plan submitted to HUD; and

WHEREAS, the Fiscal Year 2020 ESG, CDBG and General Fund Subrecipient Agreement between the City and 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 (MOU) between the City and 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 City confirmed that the homelessness prevention activities benefitting tenants displaced from Villa Victoria Apartments were completed without the use of \$100,000 in

ESG CARES Act (ESG-CV) funds allocated by Council in R-313470, March 17, 2021, and the \$100,000 in ESG-CV funds are available for ESG-CV administration activities; and

WHEREAS, the ESG, CDBG and General Fund Subrecipient Agreement will expire on June 30, 2022 and the City desires to exercise the third option to extend the term one year for Fiscal Year 2023; 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 Program Year 2022 / Fiscal Year 2023 CDBG, ESG, and HOME entitlement grant agreements with HUD.

2. The Chief Financial Officer is authorized to accept Fiscal Year 2023 CDBG entitlement grant funds from HUD in the total amount provided in the Program Year 2022 / Fiscal Year 2023 CDBG grant agreement between the City and HUD, estimated at \$12,478,662, and appropriate and expend such funds for the projects and programs approved for Fiscal Year 2023 CDBG funding allocations in this Resolution, contingent upon Fiscal Year 2023 CDBG entitlement grant funding being secured by the City.

3. Fiscal Year 2023 CDBG funding is allocated to the projects and programs recommended for Fiscal Year 2023 CDBG funding allocations in Attachment 1 (FY 2023 Public Service Projects); Attachment 2 (FY 2023 Microenterprise Technical Assistance Projects); and Attachment 3 (FY 2023 Nonprofit Capital Improvement Projects - Facilities) to the Report; contingent upon the Chief Financial Officer certifying that Fiscal Year 2023 CDBG funds are available.

4. A total amount not to exceed \$1,318,078 of Fiscal Year 2023 CDBG funds are allocated to the homeless programs listed in Attachment 4 (FY 2023 Homeless Set-Aside

Projects) to the Report, contingent upon the Chief Financial Officer certifying that Fiscal Year 2023 CDBG funds are available.

5. Fiscal Year 2023 CDBG funds are allocated for the continuing projects and eligible activities, as detailed in Attachment 5 (FY 2023 CDBG Continuing Projects and Eligible Activities) to the Report, contingent upon the Chief Financial Officer certifying that Fiscal Year 2022 CDBG funds are available.

6. Fiscal Year 2023 CDBG funds are allocated for City CIP, as detailed in Attachment 6 (FY 2023 City Capital Improvement Projects) to the Report, contingent upon the Chief Financial Officer certifying that Fiscal Year 2023 CDBG funds are available.

7. The Chief Financial Officer is authorized to accept, appropriate, and expend Fiscal Year 2023 HOME funds from HUD for the City's Fiscal Year 2023 HOME Program in the total amount provided in the Program Year 2022 / Fiscal Year 2023 HOME grant agreement between the City and HUD, estimated at \$5,782,329, contingent upon Fiscal Year 2023 HOME entitlement grant funding being secured by the City.

8. The Chief Financial Officer is authorized to accept, appropriate, and expend Fiscal Year 2023 ESG funds from HUD for the City's Fiscal Year 2023 ESG Program in the total amount provided in the Program Year 2022 / Fiscal Year 2023 ESG grant agreement between the City and HUD, estimated at \$1,047,275, contingent upon Fiscal Year 2023 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 2023 by adoption of this Resolution, as detailed in Attachments 1 to 6 to

the Report, 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 2023 CDBG funds are available.

10. The extension of the ESG, CDBG and General Fund Subrecipient Agreement through June 30, 2023, 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 Sixteenth "Recognized Obligation Payment Schedule" submitted to and approved by the California Department of Finance for Fiscal Year 2023 (ROPS 16, also known as "ROPS 22-23"), 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 2023 CDBG Program Income received from the Successor Agency, for the projects and programs allocated CDBG funding by the Council for Fiscal Year 2023 by adoption of this Resolution, as listed in Attachments 1-6 to the Report, 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 2021 Program Income earned in the amount of \$119,637.27 in Fund 600000, CDBG Grant 1000003-2023.

14. The Chief Financial Officer is authorized to increase the Fiscal Year 2023 CIP budget and to appropriate and expend up to \$5,400,000 in Fund 600000, Grant 1000003-2023, contingent on (a) the adoption of the Fiscal Year 2023 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 CIP:

- a. S00752. Beyer Park Development – FY 2023 CDBG allocation of \$2,500,000.
- b. S15031. Eggers/South Bay Community Park ADA Improvements – FY 2023 CDBG allocation of \$2,900,000.

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

16. The Chief Financial Officer is authorized to transfer balances from declined, completed, ineligible projects, or Fiscal Year 2022 fund balance, to Unobligated CDBG.

17. 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 2023 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.

18. 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.

19. The FY23 Action Plan, in substantially the form of Attachment 7 to the Report, is approved.

20. The Mayor, or designee, is authorized to make non-substantive revisions to the FY23 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 FY23 Action Plan to HUD for approval.

21. The Mayor, or designee, is authorized to amend active CDBG subrecipient agreements to extend the term of the agreements, as needed, due to the COVID-19 emergency.

22. The Mayor, or designee, is authorized to waive certain requirements in Council Policy 700-02 described in this Report when allocating CDBG funds, as needed, due to the COVID-19 emergency.

23. The Chief Financial Officer is authorized to transfer \$100,000 in ESG-CV within Fund 600000, Grant 1000652-2021 from Sponsored Program Homeless Prevention to Sponsored Program Administration.

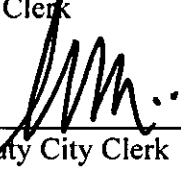
APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Marguerite E. Middaugh
Marguerite E. Middaugh
Deputy City Attorney

MEM:jdf
04/11/2022
Or.Dept: Economic Dev't
Doc. No.: 2950165

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 26 2022.

ELIZABETH S. MALAND
City Clerk

By  _____
Deputy City Clerk

Approved: 5/9/22
(date)



TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on APR 26 2022, 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"/>
Chris Cate	<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 09 2022.

(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)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

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