



The City of San Diego

Staff Report

DATE ISSUED: 1/10/2020
TO: City Council
FROM: Economic Development
SUBJECT: CDBG Allocation Recommendations for Reprogrammed Funds - FY 2020

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Council District(s): Citywide

OVERVIEW:

The proposed actions will seek a Council resolution to approve the allocation of Community Development Block Grant (CDBG) FY 2020 reprogrammed funds and approve associated actions to accept, appropriate and expend these funds.

PROPOSED ACTIONS:

A resolution to:

1. Approve the allocation of reprogrammed CDBG funds for projects as detailed in Attachment #2, contingent upon the Chief Financial Officer certifying that CDBG funds are available.
2. Authorize the Chief Financial Officer to appropriate and expend a total of \$4,535,860.31 in FY 2020 Unobligated CDBG Program, Fund 600000 Grant 1000003-2020 for projects detailed in Attachment #2, contingent upon the Chief Financial Officer certifying that CDBG funds are available.
3. Authorize the Chief Financial Officer to increase the FY 2020 Capital Improvement Program (CIP) budget, and to appropriate and expend, in Fund 600000, Grant 1000003-2020, up to \$1,960,860.31 contingent upon the Chief Financial Officer certifying funds necessary for the expenditure are, or will be, on deposit with the City Treasurer, for the following CIP:
 - a. City Heights Pool Reconstruction (Park Improvements / AGF00007)
4. Authorize the Mayor, or designee, to amend the FY 2020 Annual Action Plan to include the projects or programs allocated funding by the Council for Fiscal Year 2020, as listed in Attachment #2 to this Report.
5. Authorize the Mayor, or designee, to negotiate and enter into agreements or amendments to

existing agreements, as applicable, on behalf of the City with those nonprofit or government organizations whose projects or programs are allocated funding by the Council for Fiscal Year 2020, as listed in Attachment #2 to this Report, and identified in the Amended FY 2020 Annual Action Plan, providing for expenditure of the allocated funds for the purpose for which they were allocated, contingent upon the Chief Financial Officer certifying that funds are available.

DISCUSSION OF ITEM:

Background

The City receives annual federal entitlement program allocations from the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) Program. The primary objective of CDBG is the development of viable urban communities through the provision of improved living environments, expansion of economic opportunity and decent housing. Funds are intended to primarily serve low- and moderate-income residents and areas.

The City allocates these federal entitlement program funds based on the City's approved FY 2020 – FY 2024 Consolidated Plan (Consolidated Plan). The Consolidated Plan assesses community development and affordable housing needs, identifies seven (7) high priority goals, with one (1) additional goal for FY 2020, and outlines strategies to help the City meet those goals.

The FY 2020 Annual Action Plan (Action Plan) represents the first year of the City's Consolidated Plan and the Action Plan identifies the programs and projects to be funded during FY 2020. The City's current Consolidated Plan and FY 2020 Annual Action Plan were approved by Council Resolution #R-312442, effective April 26, 2019.

The Consolidated Plan goals are:

GOAL 1: Increase and preserve **affordable rental and homeowner housing** to improve access to housing opportunities that reflect community needs, including but not limited to, opportunities in close proximity to transit, employment, and community services.

GOAL 2: Enhance the City's economic stability by investing in inclusive economic growth initiatives that develop and strengthen **small businesses and support local entrepreneurs**.

GOAL 3: Foster individual and household resiliency by **investing in employment and workforce development** programs and improving access to job opportunities.

GOAL 4: Support the development of vibrant, equitable, and adaptable neighborhoods by investing in **public facilities and critical infrastructure**.

GOAL 5: **Assist individuals and families to gain stable housing after experiencing homelessness or a housing crisis** by providing appropriate housing and service solutions grounded in best practices.

GOAL 6: Invest in **community services that promote equity and serve vulnerable populations** including, but not limited to, refugees and recent immigrants, previously incarcerated individuals, veterans, youth, seniors, and food insecure households.

GOAL 7: Finance **impactful nonprofit facility improvements** to provide new or increased access to programs that serve vulnerable populations or implement sustainability measures.

GOAL 8 (FY 2020): **Meet the needs of persons with HIV/AIDS** and their families through the provision of housing, health, and support services.

Reprogrammed Funds

Reprogrammed funds are derived from multiple sources, including CDBG projects that withdraw, are canceled due to ineligibility determinations or other reasons, experience cost savings or otherwise return unexpended funds. In addition, the CDBG Program may receive unanticipated program income or have unallocated balances of CDBG Program funds.

Funds to be reprogrammed with this action total \$4,535,860.3. The sources of these funds are detailed in Attachment #1 (CDBG Reprogrammed Funds).

The Strategic Plan, page 123, of the approved FY 2020 – FY 2024 Consolidated Plan states, “It is critical that these funds are redistributed to eligible activities quickly to achieve expenditure timelines. At least annually, these redistributed funds will be invested, at the City’s discretion, into City projects, homeless facility rehabilitation and acquisition, affordable housing projects, and other projects fulfilling one or more of the City’s Consolidated Plan Goals.

Funding Recommendations

In accordance with the priorities identified in the Strategic Plan of the FY 2020 – FY 2024 Consolidated Plan, the projects and programs recommended to receive an allocation of reprogrammed CDBG funds are listed in Attachment #2 (CDBG Allocation Recommendations for Reprogrammed Funds – FY 2020).

The projects include:

City Heights Pool - \$1,960,860.31

The project scope will include the demolition of the existing pool, excavation, installation of a drainage system and small pump station, construction of a new pool and pool decking, upgrades to mechanical and electrical equipment, installation of a new slide, addition of shade structures, and removal and upgrade of the children’s pool play structure. In addition, the project provides ADA upgrades to the existing restrooms and locker rooms, outdoor showers, and the path of travel from the entrance to the swim center to the bus stop at the corner of Landis Street and Fairmount Avenue.

Mid-City IDEA Lab - \$2,000,000

This allocation will fund the design phase of a pending Library Department Capital Improvement Project. The CIP is tentatively scheduled for Council review and approval in March/April 2020. The preliminary scope of the project includes a 12,000-square foot, 3-story IDEA Lab which will feature state-of-the-art technology, collaborative/classroom spaces, a small library collection and staff areas.

NTC Homeless Agreement Obligations - \$575,000

In 1993, Congress and the President approved the closure of a large portion of the Naval Training Center (NTC) at Rosecrans and Nimitz Boulevard in Point Loma. The federal Base Closure and Community Redevelopment Assistance Act required certain actions for conversion from military to civilian use, including a plan showing how the needs of homeless people would be met. The San Diego City Council established the NTC Reuse Committee, which brought together various homeless providers, to advise them in developing such a plan. Several local homeless service providers participated in the two- year process of creating the NTC Reuse Plan as the NTC Homeless Subcommittee, which included the negotiations for the \$7.5 million payment that makes up the NTC Homeless Agreement. The participants in the NTC Homeless Agreement are St. Vincent de Paul, San Diego Youth Services, Vietnam Veterans of San Diego (Veterans Village of San Diego), and Catholic Charities Diocese of San Diego (Catholic Charities). This \$575,000 allocation will complete the remaining two obligations of the NTC Homeless Agreement to Catholic Charities and St. Vincent de Paul.

Catholic Charities will receive \$287,500 to complete improvements to the Rachel’s Women’s Center. The center is a drop-in day center for homeless and very-low income women. The services include: a safe and sober environment; bathroom, shower and laundry facilities; lunch service; replacement clothing; mailing address; alcohol/drug recovery services; mental health screening and referrals; resource Specialist on site; and socialization activities. Rachel’s also provides a 35-bed emergency shelter for homeless women.

The facility improvements will include replacement of cabinets and windows, upgraded kitchen equipment, replacement of a wheel chair lift, plumbing & HVAC repair and replacements, electrical wiring and outlets and painting.

St. Vincent de Paul/Father Joe's Villages will receive \$287,500 to complete improvements to the Joan Kroc Center (JKC). JKC offers transitional housing for homeless individuals and families, including 198 beds for single women and families on the 2nd floor and 110 beds for families on the 3rd floor. In addition to housing, residents receive access to supportive services such as employment and education services, therapeutic childcare, three nutritious meals served daily, and more. Approximately 150 families live at the JKC at any given time, and the family program is open to families of any size and makeup. Funds will be used to replace an outdated fire alarm system at the JKC. The JKC's current fire alarm system was installed in the 1980's and the aged system is inefficient, resulting in issues such as numerous false alarms. Upgrades will ensure the safety systems at the JKC are updated to ensure a safe and dignified living environment for residents.

City Strategic Plan Goal(s)/Objective(s):

Goal #2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Objective #3: Invest in infrastructure

Objective #4: Foster services that improve quality of life

Goal # 3: Create and sustain a resilient and economically prosperous City.

Objective #1: Create dynamic neighborhoods that incorporate mobility, connectivity and sustainability.

Fiscal Considerations:

These actions result in no fiscal impact to the City's General Fund. All funding referenced in the requested actions originates from HUD.

Charter Section 225 Disclosure of Business Interests:

N/A; there is no contract associated with this action.

Environmental Impact:

The proposed activities related to the allocation of CDBG funds to community economic development and capital improvement projects are not a project pursuant to Section 15378(b)(4) of the State of California Environmental Quality Act (CEQA) Guidelines, and are thus not subject to CEQA pursuant to 15060(c)(3) of the State CEQA Guidelines. Projects identified in the draft Action Plan have been or are in the process of being reviewed or will require review under CEQA at a future time in accordance with the City's Land Development Code. This determination is predicated on Section 15004 of the State CEQA Guidelines, which provides direction to lead agencies on the appropriate time for environmental review.

At this time, the City is allocating proposed funding for programs and projects, subject to entering into contracts for specific projects. The City is not committing funding to or to undertaking any project in a manner that will have an adverse environmental impact or that forecloses reasonable alternatives or mitigation measures that would ordinarily be part of NEPA or CEQA review for any project. As part of the HUD process for releasing CDBG funds to the City, before the City commits to funding or awards or enters into a contract for a project and when more meaningful information for environmental assessment is available for certain of the anticipated projects, the City will comply with the applicable requirements of NEPA and/or CEQA for each project. [24 C.F.R. section 58.22(a) and 14 C.C.R. section 15004(b).]

Equal Opportunity Contracting Information (if applicable):

Contracts or agreements associated with this action are subject to the City's Equal Employment Opportunity Outreach Program (San Diego Ordinance No. 18173, Municipal Code Sections 22.2701

through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517

Previous Council and/or Committee Actions:

This item will be heard at the Public Safety & Livable Neighborhoods (PSLN) Committee prior to Council.

Key Stakeholders and Community Outreach Efforts:

Community Participation and Outreach

In FY 2011, the City established a Consolidated Plan Advisory Board (CPAB) to serve in an advisory capacity to the Mayor, Council and City management on policy issues related to the Consolidated Plan and provide recommendations regarding the allocation of HUD Program funds.

On January 16, 2020, the CPAB considered and recommended Council approval of the CDBG reprogramming allocations as presented by staff.

CPAB meeting notices and agendas were distributed by email to interested stakeholders and posted on the City's CDBG webpage at www.sandiego.gov/CDBG.

Key Stakeholders

Those affected by the proposed actions include low- and moderate-income (LMI) individuals and households; those presumed by HUD to be principally LMI (abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers), community-based organizations and the community at large.

- Attachment:
1. CDBG Reprogrammed Funds
 2. CDBG Allocation Recommendations for Reprogrammed Funds – FY 2020

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