



CITY COUNCIL AGENDA STATEMENT



February 2, 2021

File ID: 20-0559

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA: (1) APPROVING AMENDMENTS TO REQUIRED PLANNING DOCUMENTS TO ALLOCATE AVAILABLE FUNDING FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT UNDER THE CARES ACT AND COMMUNITY DEVELOPMENT BLOCK GRANT AND EMERGENCY SOLUTIONS GRANT FUNDS TO PREVENT, PREPARE AND RESPOND TO THE IMPACTS OF COVID-19; (2) AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO EXECUTE ANY AND ALL HUD DOCUMENTS RELATED TO THE GRANTS; AND (3) APPROPRIATING FUNDS THEREFORE (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council conduct the public hearing and adopt the resolution.

SUMMARY

In response to combating the effects of COVID-19, the U.S. Department of Housing and Urban Development (HUD) allocated special Community Development Block Grant (CDBG-CV) and Emergency Solutions Grant (ESG-CV) funds for entitlement communities. This allocation was authorized in the Coronavirus Aid, Relief, and Economic Security (CARES) in response to the growing effects of this historic public health crisis. The City of Chula Vista received \$2,047,962 in CDBG-CV3 and \$4,170,354 in ESG-CV2 funds to be used to prevent, prepare, and respond to COVID-19. To expeditiously allocate these funds in the most effective and efficient manner, the City will need to amend the 2019-20 Annual Action Plan for its HUD funds.

ENVIRONMENTAL REVIEW

This action is exempt from California Environmental Quality Act State (CEQA) pursuant to CEQA Guidelines Sections 15269(c) (Emergency Projects) and 15359 (Emergency). This action is necessary to prevent or mitigate an emergency, and is also necessary to address a sudden and unexpected occurrence involving a clear and imminent danger, demanding immediate action to prevent or mitigate the loss of, or damage to, life, health, property, or essential public services. Notwithstanding the foregoing, the proposed action is exempt from CEQA pursuant to California Environmental Quality Act (CEQA) State Guidelines Section 15301 Class 1 (categorical exemption for existing facilities), Section 15303 Class 3 (categorical exemption for new construction or conversion of small structures), Section 15304 Class 4 (categorical exemption for minor alterations to land), and Section 15061(b)(3) because the proposed action would not result in a significant effect on the environment, create a cumulative impact, damage a scenic highway, be located on a site pursuant to Section 65962.5, or cause a substantial adverse change in the significance of a historical resource. Thus, no further environmental review is required.

Under NEPA, the activity is exempt pursuant to Title 24, Part 58.34(a)(2)&(3) of the Code of Federal Regulations and pursuant to the U.S. Department of Housing & Urban Development Environmental Guidelines. Thus, no further environmental review is necessary at this time. Although environmental review is not necessary at this time, once a project(s) has been defined, environmental review will be required, and the appropriate environmental determination will be made.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

In order to combat the effects of COVID-19, the U.S. Department of Housing and Urban Development (HUD) allocated special Community Development Block Grant (CDBG-CV) and Emergency Solutions Grant (ESG-CV) funds for entitlement communities. This allocation was authorized in the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the growing effects of this historic public health crisis. The funds allocated under the CARES Act may be used for a range of usual CDBG and ESG eligible activities that would further prevent and respond to the spread of infectious diseases, such as the Coronavirus disease of 2019 (COVID-19).

In March of 2020, the City received and appropriated the first allocation of funding received through the CARES Act (\$1,435,675 in CDBG-CV1 and \$693,583 in ESG-CV1). As prescribed, funding was allocated to activities addressing needs due to the impacts of COVID-19. Subsequently, the City of Chula Vista received another round of CARES funding (\$2,047,962 in CDBG-CV3 and \$4,170,354 in ESG-CV2) to continue the City’s efforts.

Per HUD regulations, any change in the previously established funding strategies and/or an increase in funding of 10 percent or more to an activity constitutes a Substantial Amendment and necessitates amendments to the associated planning documents for the HUD funding. Any time substantial changes are made, public participation is essential. The process requires a public notice, a 30-day public comment period, and a public hearing prior to any City Council action. However, the CARES Act reduces the public comment period to not less than 5 days and allows for virtual public hearings when necessary for public health reasons. Staff issued a public notice in both English and Spanish on January 15, 2021, initiating the public comment period, and ending January 20, 2021.

Plan Amendments

In order for the City to allocate the funds in the most effective and timely manner, the City must amend the 2019-2020 Annual Action Plan as summarized below:

Grant	Proposed Project	Description	Amount
CDBG-CV3	Homeless Bridge Shelter	Funding will be earmarked for the development of a temporary homeless bridge shelter.	\$2,047,962
ESG-CV2	Homeless Bridge Shelter Operations	Funding will cover the costs associated with the operations of a temporary homeless bridge shelter at approximately \$2 Million per year to accommodate a 60 to 80 bed capacity.	\$3,820,354

Grant	Proposed Project	Description	Amount
ESG-CV2	Hotel/Motel Voucher Program	Program provides bridge housing in the form of a hotel/motel voucher for up to 28 days for homeless clients as they transition into other housing opportunities, such as shelters, residential programs and permanent housing.	\$50,000
ESG-CV2	ESG Administration and Planning	Staff costs associated with the administration of the ESG program including; planning documents; regulatory compliance; contract oversight of the partnering agencies; environmental; and, fiscal management.	\$300,000
Total Plan Amendment			\$6,218,316

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

FISCAL IMPACT

There is no fiscal impact to the City's General Fund as all costs associated with the administration of the CDBG and ESG programs and projects are fully reimbursable by the respective grants.

Recommended funding allocations are summarized below:

Grant Program	Proposed Project	Amount
CDBG-CV3	Homeless Bridge Shelter	\$2,047,962
ESG-CV2	Homeless Bridge Shelter Operations	\$3,820,354
ESG-CV2	Hotel/Motel Voucher Program	\$50,000
ESG-CV2	ESG Administration and Planning	\$300,000
Total		\$6,218,316

ONGOING FISCAL IMPACT

As with the current Fiscal Impact, there is no ongoing impact to the City's General Fund.

ATTACHMENTS

- 2019-2020 Annual Action Plan Amendment

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