



City of Chula Vista

Staff Report

File#: 16-0180, **Item#:** 7.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE 2016/2017 ANNUAL ACTION PLAN FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIP (HOME), AND THE EMERGENCY SOLUTIONS GRANT (ESG) PROGRAMS; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE AGREEMENTS FOR THE MANAGEMENT AND IMPLEMENTATION OF ELIGIBLE PROJECTS WITH EACH SUBRECIPIENT/CONTRACTOR/DEVELOPER IDENTIFIED IN THE ACTION PLAN; AUTHORIZING THE CITY OF CHULA VISTA DEVELOPMENT SERVICES DEPARTMENT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE RECREATION AND PUBLIC WORKS DEPARTMENTS FOR THE IMPLEMENTATION OF FOUR CDBG-FUNDED PROJECTS; AND AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AND ALL RELATED DOCUMENTS NECESSARY FOR THE HUD GRANTS

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

The City of Chula Vista, on an annual basis, receives Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) Program, and Emergency Solutions Grant (ESG) Program funds from the U.S. Department of Housing and Urban Development (HUD) to contribute towards a number of diverse programs and services to enhance the quality of life for Chula Vista's low to moderate income residents. The City has an adopted 2015-2019 Five-Year Consolidated Plan (ConPlan) which describes the housing and community development needs of the City's low and moderate income residents and outlines the strategies to address those needs with these HUD grant funds. During the five-year ConPlan period, each year the City prepares an Action Plan to fund specific activities consistent with its adopted ConPlan. The 2016/17 Annual Action Plan is included in this report for consideration and approval.

ENVIRONMENTAL REVIEW

Environmental Notice

The Development Services Director has reviewed the proposed activities for compliance with the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). The proposed activities, with the exception of two, are public services and are not considered "Projects" as defined under Section 15378(b)(5) of the State CEQA Guidelines because the proposals consist of a reporting action, is not for a site specific project(s) and will not result in a direct or indirect physical change in the environment.

The remaining projects are capital improvement projects which are categorically excluded under NEPA pursuant to 24 CFR 58.35 (a)(1) of the NEPA regulations. This project is also exempt from CEQA pursuant to CEQA guidelines Section 15301 (existing facilities). The activity will not affect density or land use and will have no significant effect on the environment.

Environmental Determination

The Development Services Director has reviewed the proposed activities for compliance with the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). The proposed activities, with the exception of two, are public services and are not considered "Projects" as defined under Section 15378(b)(5) of the State CEQA Guidelines because the proposals consist of a reporting action, is not for a site specific project(s) and will not result in a direct or indirect physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, these activities are not subject to CEQA. Under NEPA, the activities qualify for a Certification of Exemption 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 and Urban Development Environmental Guidelines. Thus, no further environmental review is necessary at this time.

The remaining projects, Orange Street Improvement and Holiday Estates Park Improvement, are capital improvement projects which are categorically excluded under NEPA pursuant to 24 CFR 58.35 (a)(1) of the NEPA regulations. This project is also exempt from CEQA pursuant to CEQA guidelines Section 15301 (existing facilities). The activity will not affect density or land use and will have no significant effect on the environment.

BOARD/COMMISSION RECOMMENDATION

Not applicable.

DISCUSSION

As an entitlement community with the U.S. Department of Housing and Urban Development, the City receives funds under three block grant programs:

- Community Development Block Grant (CDBG)
- Home Investment Partnerships (HOME)
- Emergency Solutions Grant (ESG)

The grant amounts allocated to each jurisdiction are determined using a formula based on statistical and demographic data. The funds aim to address HUD's performance measurement framework of providing decent housing, a suitable living environment, and to expand economic opportunities principally for low- and moderate-income persons. As a recipient of these funds, the City is required to prepare a Consolidated Plan (Con Plan) for a five year planning period for these HUD funds

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describing the housing and community development needs of the City's low and moderate income residents and outlining strategies to address those needs over a five year period. The ConPlan provides the necessary policy guidance for implementation of programs and services to be funded by the HUD grants in addressing the needs and is detailed in its Annual Action Plan to be submitted to HUD as its application for funding. The City is currently in the second year of its 2015-2019 ConPlan. Housing staff has prepared the Action Plan for the 20156/20176 program year (Attachment No. 1). The Action Plan must be submitted to HUD 45 days prior to the beginning of the fiscal year and constitutes its formal application for the grant funds.

On February 25, 2016, the City received the 2016/17 funding allocations from HUD for the following programs:

Grant Program	Entitlement Amount
Community Development Block Grant (CDBG)	\$1,920,628
Home Investment Partnerships Act (HOME)	\$642,150
Emergency Solutions Grant (ESG)	\$159,265
Total Grant Funds	\$2,722,043

In developing its Annual Plan, the City released a Notice of Funding Availability (NOFA) for the available HUD grant funds in January 2016. A total of twenty-two (22) applications were received and reviewed for eligibility and funding consideration. The City held a public hearing before the City Council on March 15, 2016 to review the spending plan, which is a major component of the 2016/2017 Annual Plan. The Action Plan includes activities grouped into five distinct categories: CDBG Planning and Administration; CDBG Public Services; Capital Improvement and Community Development Projects; HOME Projects; and, ESG Projects.

Table I: CDBG Planning and Administration

Project No.	Applicant	Project	Funding Amount
1025	DSD Housing Division	CDBG Administration	\$ 349,126
1028	CSA of San Diego	Fair Housing Services	\$ 35,000
Total			\$ 384,126

Table II: CDBG Public Services

Project No.	Applicant	Project	Funding Amount
1026	C.V. Community Collaborative	F.R.C. Emergency and Basic Services	\$ 39,312
1027	San Diego Food Bank	Food 4 Kids Backpack Program	\$ 15,000
1029	Meals on Wheels	Home Delivered Meals for Seniors	\$ 12,000
1030	South Bay Community Services	South Bay Food Program	\$ 10,000
1031	Interfaith Shelter Network	Rotational Shelter Network	\$ 11,000
1032	Family Health Centers of San Diego	KidCare Express Mobile Medical Unit	\$ 27,000
1033	South Bay Community Services	Family Violence Treatment Program	\$ 39,000
1034	South Bay Community Services	At-Risk and Homeless Youth Svcs.	\$ 39,550
1035	Recreation Department	Therapeutic Program	\$ 20,100
1036	Recreation Department	Norman Park Senior Center Services	\$ 30,000
Total			\$ 242,962

Table III: CDBG Capital Improvement Projects and Community Development

Project No.	Applicant	Project	Funding Amount
1037	Public Works Department	Palomar and Orange Sidewalk	\$ 400,000
1038	Public Works Department	Holiday Estates Park Improvements	\$ 83,682
1039	DSD Housing Division	Housing Services	\$ 50,000
1040	DSD Housing Division	Section 108 Payment	\$ 759,858
Total			\$ 1,293,540

Table IV: HOME Program

Project No.	Applicant	Project	Funding Amount
1041	DSD Housing Division	HOME Admin. & Planning	\$ 64,215
TBD	DSD Housing Division	Production of Affordable Housing	\$ 577,935
Total			\$ 642,150

Table V: ESG Program

Project No.	Applicant	Project		Funding Amount
1042	DSD Housing Division	ESG Admin. & Planning	\$	11,945
1043	South Bay Community Services	Casa Nueva Vida I	\$	63,777
1044	South Bay Community Services	HMIS	\$	7,663
1045	DSD Housing Division	Rapid ReHousing Program	\$	75,880
			Total \$	159,265

At this time, staff is requesting Council's approval of the proposed activities to be included within the final 2016/17 Action Plan to be submitted to HUD by May 15, 2016. Upon HUD approval, the City will enter into a formal agreement with the U.S. Department of Housing and Urban Development (Attachment No. 2) for the HUD grant funds. In compliance with HUD regulations, a written contract and/or Memorandum of Understanding (MOU) will then be executed between the City and each department, non-profit, entity, and/or client that is a direct recipient and operating a project/program and beneficiaries of rental assistance funded through the CDBG, ESG and HOME grant funds. The sample Subrecipient Agreement and MOU for the CDBG and ESG programs are included as Attachments 3 through 5.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found no property holdings within 500 feet of the boundaries of the Moss Street Sidewalk Project and the Rice Elementary Health Center Fire Hydrant project. 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.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The activities funded through the federal grant programs are directed towards the revitalization of neighborhoods, economic development opportunities, and improved facilities and services. The nature of these activities is consistent with the Goals, Strategies and Initiatives in Goal 5: Connected Community.

STRATEGY 5.1: Encourage Residents to Engage in Civic Activities

INITIATIVE 5.1.2: Fosters an Environment of Community Involvement

The City has developed a detailed Citizen Participation Plan (CPP) which requires the participation of the community. The CPP requires the City to provide citizens with reasonable and timely access to meetings, information, and records related to the grantee's proposed and actual use of funds. A minimum of two public hearings are held annually to obtain citizen participation at all stages of the Five-Year Consolidated Plan and Action Plan. This includes the identification of priorities, review of

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proposed activities, and review of program performance.

STRATEGY 5.2: Provide Opportunities that Enrich the Community's Quality of Life

INITIATIVE 5.2.1: Provide Services and Programs Responsive to Priorities

Consistent with the funding priorities established in the 2015-2019 Consolidated Plan, the CDBG, HOME and ESG activities selected are aimed at providing affordable housing opportunities and a suitable living environment with adequate public facilities, infrastructure and services. Services that support the elderly, disabled, homeless, and youth all contribute to community's quality of life.

CURRENT YEAR FISCAL IMPACT

At this time, Council is approving the funding recommendations for CDBG, HOME, and ESG funds. This action does not include appropriations. Appropriations for the proposed CDBG, HOME and ESG programs will be included as part of the City Manager's FY 2016/17 proposed budget. There is no fiscal impact to the General Fund as a result of this action. In the remote event that HUD should withdraw the City's CDBG, ESG, and HOME funding; the agreements provide that the City is not obligated to compensate the sub-recipients for program expenditures.

ONGOING FISCAL IMPACT

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

ATTACHMENTS

- Attachment No. 1: 2016/17 Annual Action Plan
- Attachment No. 2: Sample HUD Funding Agreement
- Attachment No. 3: Sample CDBG Subrecipient Agreement
- Attachment No. 4: Sample CDBG Interdepartmental MOU
- Attachment No. 5: Sample ESG Subrecipient Agreement

Staff Contact: Angélica Davis and/or José Dorado, DSD-Housing Division