



CITY COUNCIL AGENDA STATEMENT



May 12, 2020

File ID: 20-0158

TITLE

RESOLUTION 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 (CDBG), HOME INVESTMENT PARTNERSHIPS ACT (HOME), AND EMERGENCY SOLUTIONS GRANT FUNDS TO PREVENT, PREPARE AND RESPOND TO THE IMPACTS OF COVID-19; (2) AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY AND ALL HUD DOCUMENTS RELATED TO THE GRANTS; (3) AMENDING THE FISCAL YEAR 2019/20 CIP PROGRAM BUDGET BY ESTABLISHING NEW CIP PROJECTS, GGV0254 "PUBLIC FACILITY IMPROVEMENTS" AND GV0255 "FAIVRE & BROADWAY SIDEWALK IMPROVEMENT PROJECT"; AND (4) APPROPRIATING FUNDS THEREFOR (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council 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 will receive \$1,435,675 in CDBG-CV and \$693,583 in ESG-CV funds and prior year CDBG and HOME entitlement 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 HUD required Five-Year Consolidated Plan, the Annual Action Plan and the Citizen Participation plan.

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 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 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. The City of Chula Vista will receive \$1,435,675 in CDBG-CV and \$693,583 in ESG-CV funds to be used to prevent, prepare and respond to the impacts of COVID-19. 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 CDBG-CV and ESG-CV funds allocated under the CARES Act may be used for a range of usual entitlement CDBG and ESG eligible activities that would further prevent and respond to the spread of infectious diseases such as the coronavirus disease 2019 (COVID-19). In addition to the new CDBG-CV and ESG-CV funds, the City has available prior year CDBG and HOME entitlement funds resulting from programs completed with excess funds or canceled as a result of lack of progress and activity.

The new CARES funding and corresponding regulations provide the City with the opportunity to take a global and comprehensive approach in not only addressing the current effects of Covid19, but allowing the flexibility to prepare for the lasting effects it will have on residents and businesses. The City will capitalize on existing partnerships with social service providers already serving the most vulnerable in the community, including seniors, homeless and victims of domestic violence and increase their funding to compensate for the higher demand for services. To respond to the changing economic climate of significant job losses in service and retail areas, opportunities are present to advance career growth and assist job seekers by funding childcare and job training programs. Those within the community, finding themselves unemployed or with a significant loss of paid work hours and/or mounting medical/childcare bills due to COVID-19 are faced with the financial burdens of paying for basic living expenses, such as housing. Available HOME funds could provide the necessary gap resources to maintain housing for those at risk of falling into homelessness. While the City faced a growing homelessness issue prior to COVID-19, that problem was further exacerbated with an added need to house the unsheltered for public health and safety. In response to the lack of a shelter in the City, funding will be set aside for the development and operational costs of a potential Bridge Shelter.

Per HUD regulations, any change in the previously established funding strategies and/or an increase in funding of 10% 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 and 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. This process is also applicable for current year funding and next year's entitlement funding. Staff has notified HUD of the City's intent to amend the Citizen Participation Plan to reflect these changes. Staff issued a public notice in both English and Spanish on May 1, 2020 initiating the public comment period which ran through May 6, 2020.

Plan Amendments

In order for the City to allocate the funds in the most effective and timely manner, the City must amend the 2015-2020 Consolidated Plan, 2019-2020 Annual Action Plan and Citizen Participation Plan as summarized below:

| Planning Document | Amendment |
|---|---|
| <p>2015-2020 Consolidated Plan (5-year Strategic Plan)</p> | <p>Identify funding strategies and priorities in response to COVID-19:</p> <ul style="list-style-type: none"> • Addressing and preventing homelessness • Increase economic development opportunities • Maintain or improve public facilities and infrastructure • Maintain or improve access to public services |
| <p>2019-2020 Annual Action Plan (Current Funding Strategy)</p> | <p>Identify new activities for the current 2019-2020 program year:</p> <ul style="list-style-type: none"> • Small Business Financial Assistance • Small Business Technical Assistance • Job Training • Faivre Street & Broadway Sidewalk Project • Bridge Shelter Development Ramp-Up • Bridge Shelter Operational • Homeless Prevention • Recreation Center Childcare* • Alpha Project Take the Streets Back Program* • South Bay Community Services - Rental Assistance* <p>Increase funding to existing activity:</p> <ul style="list-style-type: none"> • Meals on Wheels for Seniors * • South Bay Community Services - Food Program * • Tenant Based Rental Assistance Program* • D Street Sidewalk Project • South Bay Community Services Family Violence Program* <p><i>*To be approved under separate Council item Number 20-085 on June 5, 2020.</i></p> |

| Planning Document | Amendment |
|---|---|
| 2015-2020 Citizen Participation Plan | <p>Provide additional and flexible opportunities for members of the public to participate in the public comment process.</p> <ul style="list-style-type: none"> • Addition of a virtual public hearing option when onsite public hearings are deemed unsafe to conduct • Reduction of the notice requirement for public hearings from thirty (30) days to five (5) days from the date of publication of a notice. |

Resources:

| Grant Program | Source | Amount |
|--|------------------------|--------------------|
| Community Development Block Grant | Cares (CDBG-CV) | \$1,435,675 |
| Community Development Block Grant | Reprogrammed (CDBG-EN) | \$ 618,581 |
| Emergency Solutions Grant | Cares (ESG-CV) | \$ 693,583 |
| Home Investment Partnership Act ¹ | Reprogrammed (HOME-EN) | \$ 551,756 |
| TOTAL | | \$3,299,595 |
| Note: ¹ See Council Item No. 20-0152 for the reprogramming of additional HOME funds for a rental assistance program | | |

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the Faivre Street Sidewalk Improvement Project which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of 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 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/Memorandum of Understandings provide that the City is not obligated to compensate subrecipients or City Departments for program expenditures.

Recommended funding allocations are summarized below:

| GRANT | ACTIVITY | AMOUNT |
|----------|--|------------|
| ESG-CV | Homeless Prevention | \$ 100,000 |
| ESG-CV | Shelter Operations | \$ 533,668 |
| HOME- EN | Tenant Based Rental Assistance | \$ 551,756 |
| CDBG-EN | "D" Street Sidewalk Project (Increase) | \$ 50,000 |
| CDBG-CV | Faivre Street Sidewalk Project | \$ 300,000 |
| CDBG-CV | Public Facility Improvement Project | \$ 500,000 |

| | | | |
|--------------|--|-----------|------------------|
| CDBG-EN | Small Business Direct Financial Assistance | \$ | 580,000 |
| CDBG-EN | Job Training | \$ | 200,000 |
| CDBG-EN | Small Business Technical Assistance | \$ | 20,000 |
| CDBG-CV | Bridge Shelter Ramp-Up Costs | \$ | 464,171 |
| Total | | \$ | 3,299,595 |

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

1. 2015-2020 Consolidated Plan Amendment
2. 2019-2020 Annual Action Plan Amendment
3. 2015-2020 Citizen Participation Plan Amendment

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