



# CITY COUNCIL AGENDA STATEMENT



August 4, 2020

File ID: 20-0300

## TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA (1) APPROVING THE 2020/21 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SPENDING PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIPS PROGRAM, AND THE EMERGENCY SOLUTIONS GRANT; (2) AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO EXECUTE AGREEMENTS WITH EACH SUBRECIPIENT; AND, (3) AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO EXECUTE ANY AND ALL HUD DOCUMENTS RELATED TO THE GRANTS

## RECOMMENDED ACTION

Council adopt the resolution.

## SUMMARY

The City of Chula Vista, as an entitlement jurisdiction, receives each year Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) Program, and Emergency Solutions Grant (ESG) funds from the U.S. Department of Housing and Urban Development (HUD) to contribute towards a number of diverse activities and services to enhance the quality of life for Chula Vista's low- to moderate-income residents. In 2020, the City was awarded additional funding generated through the CARES Act (I and II) to respond to the growing impacts of COVID-19 on communities. On May 12, 2020, Council approved the first round of CDBG and ESG CARES funding to activities that would immediately address the needs of the community due to COVID-19. Subsequently, on June 23, 2020, staff returned to City Council with a proposal to allocate the remaining funds, comprising the 2020/2021 Spending Plan for the HUD entitlement grant programs.

This item seeks to obtain approval to enter into a formal Subrecipient Agreement or Memorandum of Understanding ("MOU") with each provider or corresponding City department, respectively, awarded grant funds to implement those proposed activities and services of the 2020/2021 Spending Plan.

## ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). The activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the proposal consists 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 environmental. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. 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 a CEQA/NEPA determination completed prior to initiation of any related project activity.

**BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

Not applicable.

**DISCUSSION**

As an entitlement community with the U.S. Department of Housing and Urban Development (HUD), the City receives funds under three block grant programs: Community Development Block Grant (CDBG); Home Investment Partnerships (HOME) Program; and, Emergency Solutions Grant (ESG).

**Resources**

In March 2020, the City received notification of the funding allocations from HUD for the CDBG, HOME, and ESG entitlement programs for program year 2020/21. Subsequent to that, additional funding generated through the CARES Act (I and II) was allocated to the City. The following resources will be available for the 2020/2021 program year:

Grant/Program	2019/2020 Grant Funds	2020/2021 Grant Funds	CARES-1	CARES-2	Total Available
Community Development Block Grant (CDBG)	\$ 618,581	\$2,400,515	\$ 1,435,675	\$ -	\$ 4,454,771
Home Investment Partnership Acts (HOME)	\$ 1,588,181	\$ 930,642	\$ -	\$ -	\$ 2,518,823
Emergency Solutions Grant (ESG)	\$ -	\$ 201,139	\$ 693,583	\$4,260,354	\$ 5,155,076
<b>TOTAL</b>	<b>\$ 2,206,762</b>	<b>\$3,532,296</b>	<b>\$ 2,129,258</b>	<b>\$4,260,354</b>	<b>\$ 12,128,670</b>

**2020/2021 Program Year Spending Plan**

As part of its annual process, the City releases a Notice of Funding Availability (NOFA) for the three HUD grant programs. The NOFA was released on February 7, 2020, with a submittal deadline of March 6, 2020. Shortly thereafter, the City was faced with the task of responding to the effects that COVID-19 had on the community. Additional funds were awarded to the City under the CARES Act allowing the City the flexibility and opportunity to fund activities that would alleviate the emerging issues and address any unidentified future impacts resulting from the pandemic. In partnership with existing and new partners, inclusive of our own City departments, staff prepared a spending plan that would best meet the goals and objectives of the grant programs while addressing those needs arising from COVID-19.

On May 12, 2020, Council approved the first round of CDBG and ESG CARES funding to activities that would immediately address the impacts of COVID-19. That allocation included emergency CARES funding as well as prior year unencumbered funds. Subsequently, on June 23, 2020, the City Council held a public hearing, providing the Council and the public with an opportunity to consider activities proposed for the remaining HUD grant funds and provide input on the 2020/2021 Spending Plan comprising all activities to be carried out (Attachment No. 1).

**Subrecipient Agreement and Memorandum of Understanding (MOU)**

In order for an outside agency or City Department to receive and operate a CDBG, ESG or HOME funded activity, they must formally enter into a Subrecipient Agreement or MOU (Attachments 2 – 4). The Agreement and MOU are one of the most important tools for the grant administrator. These agreements serve three key

purposes: 1) Fulfills a legal requirement by presenting a concise statement of the rules of the grant program and the conditions under which funds are provided; 2) Provides a level for measurement for monitoring subrecipient performance; and, 3) Provides an essential vehicle for training staff on how to properly administer the grant programs. Subrecipient Agreements are entered into with outside agencies providing services on behalf of the City, while Interdepartmental MOUs are utilized with a City Department or Division outside of the Development Services Department (DSD), where the overall grant funds are administered. Activities administered by the DSD Housing Division do not require a Memorandum of Understanding. For this reason, they are not listed in the Subrecipient/MOU list below.

A Subrecipient Agreement for the HOME funds is not included for consideration as the City has not awarded funds at this time and will be issuing a Notice of Funding Availability to seek proposals for the production of new affordable housing. Once a project has been defined, staff will return to Council for consideration.

PROJECT ID	AGENCY	PROEJCT/PROGRAM	AMOUNT OF FUNDING
BGS 1152	CSA San Diego County	Fair Housing and Tenant/Landlord Mitigation	\$ 50,000
BGS 1142	Alpha Project	Take Back the Streets - Job Training	\$ 100,000
BGS 1154	Chula Vista Elementary School District	Family Resource Center Emergency Svcs	\$ 45,000
BGS 1162	City of Chula Vista Parks and Recreation	Childcare	\$ 75,000
BGS 1155	City of Chula Vista Parks and Recreation	Therapeutic Recreation Programs	\$ 20,100
BGS 1156	City of Chula Vista Parks and Recreation	Senior Services-Norman Park Senior Center	\$ 30,000
BGS 1157	Family Health Centers of San Diego, Inc.	Kidcare Express Mobile Medical Unit (MMU)	\$ 30,000
BGS 1158	Jacobs & Cushman San Diego Food Bank	Food 4 Kids Backpack Program	\$ 15,000
BGS 1164	McAlister Institute	Work For Hope	\$ 40,000
BGS 1159	Meals-on-Wheels Greater San Diego	More than a Meal for Chula Vista Seniors	\$ 30,000
BGS 1143	San Diego Workforce Partnership	Tech-to-Hire	\$ 200,000
BGS 1160	South Bay Community Services	South Bay Food Program	\$ 50,000
BGS 1161	South Bay Community Services	Family Violence Support Services	\$ 175,000
BGS 1163	South Bay Community Services	Child Development and Study Hall	\$ 200,000
BGS 1153	Voices for Children	Court Appointed Special Advocate Pgm	\$ 15,000
GGV 254	City of Chula Vista Engineering	Bridge Shelter On-Site Facility Improvement	\$ 906,489
BGS 1144	South County Economic Dev. Council	MicroEnterprise Technical Assistance	\$ 20,000
GGV 255	City of Chula Vista Engineering Department	Faivre Street Sidewalk Project	\$ 300,000
BGS 1170	South Bay Community Services	ESG Administration and HMIS	\$ 82,500
BGS 1165	Interfaith Shelter Network of San Diego	Rotational Shelter Program	\$ 15,000
BGS 1166	South Bay Community Services	Homeless Services Program	\$ 75,000
BGS 1167	South Bay Community Services	Transitional Shelter - Casa Nueva Vida	\$ 63,777
BGS 1141	South Bay Community Services	HOME TBRA Administration	\$ 175,000
BGS 1139	South Bay Community Services	Tenant Based Rental Assistance Program (Covi	\$ 1,036,425

## HUD Application for Federal Assistance (SF424)

While the City of Chula Vista is an entitlement community for HUD funds, the City is required to submit a formal application for funding, known as the SF424 Form (Attachment 5). This form collects information including type of grant, amount of entitlement, and proposed project dates.

### Conclusion

Staff recommends that the City Council approve the resolution to enter into formal Subrecipient Agreements and Interdepartmental Memorandum of Understandings in order to implement the 2020/2021CDBG, HOME, and ESG Spending Plan.

### DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, 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.

### CURRENT-YEAR FISCAL IMPACT

Appropriations for the proposed CDBG, HOME and ESG programs are included as part of the City Manager's FY 2020/21 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/Memorandum of Understandings provide that the City is not obligated to compensate subrecipients or City Departments for program expenditures.

<b>Community Development Block Grant (CDBG)</b>	
CDBG Administration and Planning	\$ 505,361
Public Services	\$ 1,075,100
Section 108 Loan Payment	\$ 633,650
Capital Improvement and Community Development	\$ 2,974,310
<b>Subtotal</b>	<b>\$ 4,454,771</b>
<b>Home Investment Partnerships Act (HOME)</b>	
HOME Planning and Administration	\$ 232,660
Production of Affordable Housing	\$ 2,286,163
<b>Subtotal</b>	<b>\$ 2,518,823</b>
<b>Emergency Solutions Grant (ESG)</b>	
ESG Administration and Planning	\$ 375,000
Shelter Services	\$ 4,582,799
Homeless Prevention and Rapid ReHousing	\$ 197,277
<b>Subtotal</b>	<b>\$ 5,155,076</b>
<b>TOTAL CDBG, HOME AND ESG</b>	<b>\$ 12,128,670</b>

## **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 1: 2020/2021 Spending Plan

Attachment 2: Sample CDBG Interdepartmental MOU

Attachment 3: Sample CDBG Subrecipient Agreement

Attachment 4: Sample ESG Subrecipient Agreement

Attachment 5: HUD Application for Federal Assistance (Form SF424 and SF424D)

*Staff Contact: Angélica Davis, Senior Management Analyst*