



# City of Chula Vista

## Legislation Details (With Text)

**File #:** 14-0179      **Name:** Federal Grants Funding Approval

**Type:** Consent Item      **Status:** Passed

**In control:** City Council

**On agenda:** 5/6/2014      **Final action:** 5/6/2014

**Title:** RESOLUTION NO. 2014-064 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA (1) APPROVING FISCAL YEAR 2014/2015 ANNUAL ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIP (HOME), AND THE EMERGENCY SOLUTIONS GRANT (ESG) PROGRAMS; (2) AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE AGREEMENTS FOR THE MANAGEMENT AND IMPLEMENTATION OF ELIGIBLE PROJECTS WITH EACH SUB-RECIPIENT / CONTRACTOR / DEVELOPER IDENTIFIED IN THE ACTION PLAN; (3) AUTHORIZING THE CITY OF CHULA VISTA DEVELOPMENT SERVICES DEPARTMENT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF RECREATION FOR THE IMPLEMENTATION OF TWO CDBG FUNDED PROGRAMS; AND, (4) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AND ALL RELATED DOCUMENTS NECESSARY TO OBTAIN THE HOUSING AND URBAN DEVELOPMENT GRANTS

**Sponsors:** Angelica Davis

**Indexes:**

**Code sections:**

**Attachments:** 1. Item 4 - Resolution, 2. Item 4 - Attachment 1 - Action Plan, 3. Item 4 - Attachment 2 - CDBG Agmt, 4. Item 4 - Attachment 3 - MOU, 5. Item 4 - Attachment 4 - ESG Agmt, 6. Item 4 - Attachment 5 - Developer Agreement, 7. Item 4 - Attachment 6 - HUD Agmt

Date	Ver.	Action By	Action	Result
5/6/2014	1	City Council	adopt	Pass

RESOLUTION NO. 2014-064 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA (1) APPROVING FISCAL YEAR 2014/2015 ANNUAL ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIP (HOME), AND THE EMERGENCY SOLUTIONS GRANT (ESG) PROGRAMS; (2) AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE AGREEMENTS FOR THE MANAGEMENT AND IMPLEMENTATION OF ELIGIBLE PROJECTS WITH EACH SUB-RECIPIENT / CONTRACTOR / DEVELOPER IDENTIFIED IN THE ACTION PLAN; (3) AUTHORIZING THE CITY OF CHULA VISTA DEVELOPMENT SERVICES DEPARTMENT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF RECREATION FOR THE IMPLEMENTATION OF TWO CDBG FUNDED PROGRAMS; AND, (4) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AND ALL RELATED DOCUMENTS NECESSARY TO OBTAIN THE HOUSING AND URBAN DEVELOPMENT GRANTS

**RECOMMENDED ACTION**  
Council adopt the resolution.

**SUMMARY**  
As a U.S. Department of Housing and Urban Development (HUD) entitlement community, the City receives grant funds under the Community Development Block Grant (CDBG), Emergency Solutions

Grant (ESG) and the HOME Investment Partnerships Act Program (HOME). The HUD grant funds are distributed to provide housing, economic opportunities and a suitable living environment for low and moderate income persons. On March 11, 2014, the City Council held a Public Hearing on draft recommendations for the 2014/15 CDBG, HOME and ESG funds to be included in its Action Plan as application to HUD. Staff is requesting approval of the final 2014/15 Action Plan.

### **ENVIRONMENTAL REVIEW**

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 one, 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 & Urban Development Environmental Guidelines. Thus, no further environmental review is necessary at this time.

The remaining project is a tenant improvement of the interior of an existing building located at 192-196 Landis Avenue and therefore, is categorically excluded under NEPA pursuant to 24 CFR 58.35(a)(3)(ii) 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 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 annual entitlement amounts allocated to each jurisdiction are determined using a formula based on statistical and demographic data. These HUD grant funds are to provide housing, a suitable living environment, and to expand economic opportunities, principally for low- and moderate-income persons.

As a recipient of these funds and in meeting HUD's program goals, the City is required to develop a five-year plan outlining its housing and community development needs and objectives, known as the Consolidated Plan. On an annual basis, the City submits an Action Plan indicating how the City plans to use the grant funds for that program year to address the priority needs identified in the Five-Year Consolidated Plan. The Action Plan serves as the City's formal funding application to HUD for the grant funds.

### **2014/15 ACTION PLAN**

Table I below indicates the grant fund amounts which will be received and utilized in Fiscal Year (FY) 2014/15. These funds include the annual entitlement amount, available balances from previous year’s unprogrammed funds, and program income.

**Table I- Funding Amount**

<b>ENTITLEMENT GRANT PROGRAM</b>	<b>AMOUNT</b>
Community Development Block Grant (CDBG) <i>CDBG funds include an estimated CDBG entitlement grant of \$1,719,498 and \$404,216 in program income and unprogrammed funds.</i>	\$2,123,714
HOME Investment Partnership (HOME)	\$ 631,125
Emergency Solutions Grant (ESG)	\$ 141,899
<b>Total</b>	<b>\$2,896,738</b>

In developing its Annual Plan, the City released a Notice of Funding Availability (NOFA) for the available HUD grant funds in December 2013, with the NOFA published in the local Star News and notifications sent out to various networking groups with participants from social service organizations and affordable housing developers. Once applications were received and funding recommendations developed, the City held a public meeting on March 5, 2014 and a public hearing before the City Council on March 11, 2014. The Action Plan was then made available for a 30-day review and comment period from March 14, 2014 to April 14, 2014. No comments were received during the review period.

Based on the public comments and input received at the March 11, 2014 Public Hearing, staff prepared the final FY 2014/15 Action Plan to be submitted to HUD. The Action Plan includes Public Services (Table II), Capital Improvement and Community Development (Table III), CDBG Planning and Administration (Table IV), ESG Projects (Table V), and HOME Projects (Table VI).

**Table II- Public Services Projects**

<b>PROGRAM/PROJECT</b>	<b>FUNDING AMOUNT</b>
Meals on Wheels of Greater San Diego - Meals on Wheels Chula Vista	\$ 12,000
Interfaith Shelter Network of San Diego - Rotational Shelter Network	\$ 11,000
Lutheran Social Services - Project Hand	\$ 12,200
SBCS - South Bay Food Program	\$ 10,000
San Diego Food Bank - Food 4 Kids Backpack Program	\$ 15,000
SBCS - Services for High Risk and Homeless Youth	\$ 39,550
SBCS - Family Violence Treatment Program	\$ 39,000
CV Collaborative- Family Resource Center	\$ 39,312
City of Chula Vista Recreation - Therapeutic Recreation Program	\$ 20,100
C.E.O. - Employment Reentry for At-Risk Young Adults	\$ 14,000
Family Health Centers of San Diego - KidCare Mobile Medical Unit	\$ 13,600
Recreation - Norman Park Center Senior and Disabled Svcs	\$ 30,000
Fair Housing Services	\$ 32,000

<b>TOTAL</b>	<b>\$287,762</b>
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**Table III- Capital Improvement and Community Development Projects**

<b>PROGRAM/PROJECT</b>	<b>FUNDING AMOUNT</b>
City of Chula Vista - Section 108 Payment	\$ 756,715
Development Services - Housing Services	\$ 50,000
Urban Corp of San Diego - Green Streets	\$ 150,000
SBCS - Landis Studios	\$ 450,000
Production of Affordable Housing Projects/Programs	\$ 112,372
<b>TOTAL</b>	<b>\$1,519,087</b>

**Table IV - CDBG PLANNING AND ADMINISTRATION PROJECTS**

<b>PROGRAM/PROJECT</b>	<b>FUNDING AMOUNT</b>
CDBG Administration and Planning	\$ 316,865
<b>TOTAL</b>	<b>\$ 316,865</b>

**Table V- ESG PROJECTS**

<b>PROGRAM/PROJECT</b>	<b>FUNDING AMOUNT</b>
ESG Administration and Planning	\$ 10,642
SBCS Casa Nueva Vida	\$ 68,277
SBCS Homeless Prevention and Rapid ReHousing	\$ 62,980
<b>TOTAL</b>	<b>\$ 141,899</b>

**Table VI- HOME INVESTMENT PARTNERSHIPS ACT PROJECTS**

<b>PROGRAM/PROJECT</b>	<b>FUNDING AMOUNT</b>
HOME Administration and Planning	\$ 63,112
Tenant Based Rental Assistance	\$250,000
Production of Affordable Housing	\$ 318,013
<b>TOTAL</b>	<b>\$ 631,125</b>

At this time, staff is requesting Council’s review of the proposed activities to be included within the final 2014/15 Action Plan to be submitted to HUD by May 14, 2014.

**IMPLEMENTATION OF THE 2014/15 ACTION PLAN**

Upon HUD’s approval of the Action Plan, the City will enter into an agreement with HUD for each of the grant programs (sample HUD grant agreements are included as Attachment 5). 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 of HUD grant funds, including those entities operating a project/program and beneficiaries of rental assistance funded through the CDBG, ESG and HOME. The sample Subrecipient Agreement, Development Agreement, and MOA for the CDBG and ESG programs are included as Attachments 2 through 5.

### **DECISION-MAKER CONFLICT**

All proposed activities, with the exception of one (1), are generally not site specific and does not trigger the 500-foot rule found in California Code of Regulations section 18704.2(a)(1). One proposed activity is for the interior tenant improvements of an existing building located at 192-796 Landis Avenue. As such, Staff has reviewed the property holdings of the City Council and has found no property holdings within 500 feet of the boundaries of 192-196 Landis Avenue considered in this action. 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:  
Initiative 5.1.2

Encourage Residents to Engage in Civic Activities  
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 proposed activities, and review of program performance.

Strategy 5.2:  
Initiative 5.2.1

Provide Opportunities that Enrich the Community's Quality of Life  
Provide Services and Programs Responsive to Residents Priorities

Consistent with the funding priorities established in the 2010-2015 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 2014/15 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**

1. 2014/15 Annual Action Plan
2. Sample CDBG Agreement (which includes the following attachments):
  - Attachment A- Scope of Work
  - Attachment B- HUD Income Limits 2013
  - Attachment C- Disclosure Form
3. Interdepartmental CDBG Memorandum of Understanding
4. Sample Emergency Solutions Grant Contract (which will include Attachments A through C listed above)
5. Draft Development Agreement with South Bay Community Services
6. Sample HUD Funding Agreement