



City of Chula Vista

Staff Report

File#: 15-0166, **Item#:** 3.

RESOLUTION NO. 2015-101 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA (1) APPROVING THE 2015-2019 CONSOLIDATED PLAN AND 2015-2016 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 RECREATION AND PUBLIC WORKS DEPARTMENTS FOR THE IMPLEMENTATION OF THREE CDBG-FUNDED PROJECTS; 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

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 prepares a Five-Year Consolidated Plan (ConPlan) for the HUD funds describing the housing and community development needs of the City's low and moderate income residents and outlines the strategies to address those needs. During the five-year ConPlan period, the City also prepares annual Action Plans to fund specific activities within each of the ConPlan program years. Both the Consolidated Plan and the Annual Action Plan are included in this report for consideration and approval.

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 two, 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, Moss Street and Rice Elementary Fire Hydrant, 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 these HUD funds 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 prepared each year and submitted to HUD as its application for funding. The City is currently in the last year of its 2010-2015 Con Plan. Housing staff has prepared the Con Plan for the July 1, 2015 to June 30, 2019 period (Attachment No. 1) as well as the Action Plan for the 2015/2016 program year (Attachment No. 2). The Action Plan must be submitted to HUD 45 days prior to the beginning of the fiscal year and constitutes its application for the grant funds. Both plans will be submitted to HUD by May 15, 2015.

2015/16 Grant Funding

On February 18, 2015, the City received notification of the 2015/16 funding allocations from HUD for the following programs:

- CDBG: \$1,769,214
- HOME: \$571,833
- ESG: \$153,270

In addition to the 2015/16 CDBG entitlement funds, there is \$193,726 and \$285,350 of prior-year CDBG and HOME funds, respectively, available for reprogramming to eligible activities

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In developing its Annual Plan, the City released a Notice of Funding Availability (NOFA) for the available HUD grant funds in January 2015. A total of twenty-two (22) applications were received and reviewed for eligibility and funding consideration. The City held a public hearing on April 21, 2015 before the City Council to review the spending plan, which is a major component of the 2015/2016 Annual Plan. The Action Plan includes the following identified CDBG Planning and Administration (Table I), Public Services (Table II), Capital Improvement and Community Development Projects (Table III), HOME Projects (Table IV) and ESG Projects (Table V).

TABLE I: CDBG PLANNING AND ADMINISTRATION

Tab No.	Applicant	Project	Prior Year Funding	Amount Requested	Amount Recommen.
1	DSD Housing Division	CDBG Administration	\$ 316,865	\$ 357,588	\$ 357,588
2	DSD Housing Division	Fair Housing Services	\$ 35,000	\$ 35,000	\$ 35,000
TOTAL			\$ 392,588	\$ 392,588	

TABLE II: PUBLIC SERVICES

Tab No.	Applicant	Project	Prior Year Funding	Amount Requested	Amount Recommen.
3	C.V. Community Collaborative	F.R.C. Emergency and Basic Services	\$ 39,312	\$ 39,312	\$ 39,312
4	San Diego Food Bank	Food 4 Kids Backpack Program	\$ 15,000	\$ 20,000	\$ 15,000
5	Meals on Wheels	Home Delivered Meals for Seniors	\$ 12,000	\$ 12,000	\$ 12,000
6	South Bay Community Services	South Bay Food Program	\$ 10,000	\$ 15,000	\$ 10,000
7	Interfaith Shelter Network	Rotational Shelter Network	\$ 11,000	\$ 11,000	\$ 11,000
8	Family Health Centers of San Diego	KidCare Express Mobile Medical Unit	\$ 13,600	\$ 30,000	\$ 27,000
9	South Bay Community Services	Family Violence Treatment Program	\$ 39,000	\$ 39,000	\$ 39,000
10	South Bay Community Services	At-Risk and Homeless Youth Svcs.	\$ 39,550	\$ 39,550	\$ 39,550
11	Recreation Department	Therapeutic Program	\$ 20,100	\$ 20,100	\$ 20,100
12	Recreation Department	Norman Park Senior Center Services	\$ 30,000	\$ 41,013	\$ 30,000
TOTAL			\$ 266,975	\$ 242,962	

TABLE III: CAPITAL IMPROVEMENT AND COMMUNITY DEVELOPMENT

Tab No.	Applicant	Project	Prior Year Funding	Amount Requested	Amount Recommen.
13	Public Works Department	Moss Street Sidewalk Installation	\$ -	\$ 543,160	\$ 468,292
14	Family Health Centers of San Diego	Rice Elementary Fire Hydrant Project	\$ -	\$ 20,855	\$ 20,855
15	Grid Alternatives	C.V. Solar Affordable Homes Pgm.	\$ -	\$ 30,000	\$ 30,000
16	DSD Housing Division	Housing Services	\$ 50,000	\$ 50,000	\$ 50,000
17	DSD Housing Division	Section 108 Payment	\$ 756,715	\$ 758,243	\$ 758,243
TOTAL			\$ 1,402,258	\$ 1,327,390	

TABLE IV: HOME PROJECTS

Tab No.	Applicant	Project	Prior Year Funding	Amount Requested	Amount Recommen.
18	DSD Housing Division	HOME Admin. & Planning	\$ 63,112	\$ 57,183	\$ 57,183
19	DSD Housing Division	Production of Affordable Housing	\$ 800,000	\$ 800,000	\$ 800,000
TOTAL			\$ 857,183	\$ 857,183	

TABLE V: ESG PROJECTS

Tab No.	Applicant	Project	Prior Year Funding	Amount Requested	Amount Recommen.
20	DSD Housing Division	ESG Admin. & Planning	\$ 10,642	\$ 11,495	\$ 11,495
21	South Bay Community Services	Casa Nueva Vida I	\$ 68,277	\$ 63,777	\$ 62,777
22	DSD Housing Division	Rapid ReHousing Program and HMIS	\$ 75,980	\$ 78,998	\$ 78,998
TOTAL			\$ 154,270	\$ 153,270	

At this time, staff is requesting Council's approval of the proposed activities to be included within the final 2015/16 Action Plan to be submitted to HUD by May 15, 2015.

Upon HUD approval, the City will enter into a formal agreement between the City of Chula Vista and the U.S. Department of Housing and Urban Development (Attachment No. 3) 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 MOA for the CDBG and ESG programs are included as Attachments 4 through 6.

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 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 2015/16 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: 2015-2019 Consolidated Plan
- Attachment No. 2: 2015-16 Annual Action Plan
- Attachment No. 3: Sample HUD Funding Agreement
- Attachment No. 4: Sample CDBG Subrecipient Agreement
- Attachment No. 5: Sample CDBG Interdepartmental MOU
- Attachment No. 6: Sample ESG Subrecipient Agreement

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