



PUBLIC HEARING

City of San Bernardino Request for Council Action

Date: August 7, 2024

To: Honorable Mayor and City Council Members

From: Rochelle Clayton, Acting City Manager;
Gabriel Elliott, Director of Community Development and
Housing Department

Department: Community Development and Housing

Subject: **Proposed Fourth Substantial Amendment to Fiscal
Years 2020-2021 Annual Action Plan Associated with
Community Development Block Grant Coronavirus
Relief Funds (All Wards)**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino, California:

1. Conduct a public hearing to obtain citizens' comments on the proposed Fourth Substantial Amendments to the Fiscal Year 2020-2021 Annual Action Plan for the Community Development Block Grant Coronavirus Relief Funds; and
2. Approve the Substantial Amendment to Fiscal Year 2020-2021 Annual Action Plan for the Community Development Block Grant; and
3. Approve the Technical Correction and Adopt Resolution number 2024-180; and authorize the Director of Finance to amend the Fiscal Year 2024/25 Operating Budget with an appropriation of \$316,992.70 to both revenues and expenditures in accordance with the Fourth Substantial Amendment to the 2020-2021 Annual Action Plan; and
4. Authorize the City Manager or designee to take any further actions and execute any further agreements or documents as necessary to effectuate the submittal of the Proposed Substantial Amendments to Fiscal Year 2020-2021 Annual Action Plan.

Executive Summary

City Staff is requesting that City Council approve the Proposed Fourth Substantial Amendment to the FY 2020-2021 Annual Action Plan (AAP) for the Community Development Block Grant Coronavirus Relief Funds (CDBG-CV) to reallocate unexpended funds to CDBG-CV Planning and Administration as well as the Encanto Community Center.

Background

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) was signed into law. Under the CARES Act, the Department of Housing and Urban Development (HUD) allocated \$2,003,529 in Community Development Block Grant-Coronavirus (CDBG-CV1) funds to the City of San Bernardino to fund activities that prevent, prepare, and respond to the Coronavirus pandemic.

On April 19, 2020, the City allocated the CDBG-CV1 funds as followed:

Table 1

Project	Activity Description	Recommended Funding
2020-21 CDBG-CV Allocation		\$ 2,003,529
Administration @ 20% of Allocation		\$ 400,706
Eviction Prevention Program	Provide housing stability and assistance to renters affected by the pandemic	\$ 1,060,000
	Subtotal:	\$ 1,060,000
Parks and Recreation	Senior Nutrition Program (two fiscal years)	\$ 150,000
Parks and Recreation	Modify public facilities to prevent the spread of COVID (outdoor shower towers)	\$ -
Parks and Recreation	Grab and Go arts & crafts to respond to COVID	\$ 32,000
Parks and Recreation	Additional PPE cleaning supplies for program staff to prevent the spread of COVID	\$ 24,000
	Subtotal:	\$ 206,000
Public Facilities (excluding buildings for general government purpose)	Modification to public facilities including PPE supplies (excluding buildings used for general government purposes) to respond and prevent COVID	\$ 336,823
	Subtotal:	\$ 336,823
	GRAND TOTAL:	\$ 2,003,529

On September 11, 2020, HUD announced the City would receive a third round of funds totaling \$1,702,135 in CDBG-CV (CDBG-CV3) funds. CDBG CV1 and CV3 funds must be used to prevent, prepare for, and/or respond to the Coronavirus (COVID-19) pandemic.

On June 2, 2021, the City allocated CDBG-CV3 funds as followed:

Table 2

Project	Activity Description	Recommended Funding
2021 CDBG-CV3 Allocation		\$ 1,702,135
Administration @ 20% of Allocation	Administration of the CDBG program such as planning and research of eligible uses of CDBG-CV funds	\$ 340,427
Fifth Street Senior Center	Installation of shade structure to support senior meal programs outdoor in an open-air setting and concrete pathway work	\$ 175,000
Encanto Community Center - Building Improvement	Lobby redesigned for social distancing, touchless automatic door entry, installation of various touchless restroom equipment/fixtures, showers, partition walls and counters.	\$ 371,700
Community Center/Libraries	Design and installation of touchless automatic entry doors are the following locations: <i>1. 5th Street Senior Center</i> <i>2. Perris Hill Senior Center</i> <i>3. Feldheym Central Library (F Street Door)</i> <i>4. Howard M. Rowe Branch Library</i> <i>5. Lytle Creek Community Center</i> <i>6. Villaseñor Branch Library</i>	\$ 815,008
	GRAND TOTAL:	\$ <u>1,702,135</u>

It is important to understand the difference between CDBG and CDBG-CV funds. Both are provided by HUD, but they serve different purposes.

CDBG funds are given out annually to improve communities by offering public services and fixing infrastructure, such as parks, community and/or senior centers, and rehabilitation of streets in low-to-moderate income (LMI) areas.

On the other hand, CDBG-CV funds were specifically provided by HUD to help communities deal with the challenges caused by the COVID-19 pandemic. These funds were used for things like providing food, helping people who lost their jobs, creating social distancing measures in public facilities to reduce the spread of the virus, and supporting various programs to help residents stay safe. This amendment

aims to reallocate funds to the CDBG-CV funds received from HUD and has no impact on our annual CDBG allocation.

For Activity 3 - Community Center/Libraries, the funds were allocated to each Community Center/Library based on an assessment of need completed by the City's Public Works Department. The City's Public Works Department were able to use unallocated CDBG funds for the rehabilitation of the Community Centers/Libraries if needed.

The expenditure deadline for the CDBG-CV funds is October 22, 2026. Any reallocation or adjustment of funds that was not in the original approved proposal, will require a Substantial Amendment to the FY 2020-2021 Annual Action Plan.

Discussion

This Fourth Substantial Amendment for the FY 2020-2021 AAP aims to reallocate funds towards Planning and Administration and to the Encanto Community Center Project.

Due to increased activity in the Housing Division, a significant amount of funding is being utilized for consultant work. Currently, the City is contracted with consultant, Michael Baker International (MBI) who is performing HUD-required labor compliance, environmental reviews, and reporting for multiple CDBG-CV projects. Also, the Housing Division has experienced a recent increase in new staff and MBI is providing the level of training required to meet HUD's standards. The goal is to have staff eventually perform required task without assistance from a consultant. Training is intensive as it covers HUD regulations and other requirements (i.e. Integrated Disbursement and Information System, and the Consolidated Annual Performance and Evaluation Report). A request has been made to move \$287,179.22 in CDBG-CV funds into administration, which will allow staff the ability to continue working with consultant, MBI.

Additionally, this amendment will correct and reallocate the CDBG-CV3 Lytle Creek Community Center activity as it was previously incorporated in the CDBG-CV3 Automatic Doors project instead of being a stand-alone project.

The Fourth Substantial Amendment allocation breakdown can be seen in the table below:

Table 3

Project	CDBG-CV1 Fund Balance	CDBG-CV3 Fund Balance	CDBG-CV Funds Reprogrammed
CDBG-CV1: Modifications to Public Facilities	\$ 316,992.70	\$ -	\$ (316,992.70)
CDBG-CV3: Automatic Doors at Community Centers	\$ -	\$ 451,073.46	\$ (451,073.46)
CDBG-CV3: 5th Street Senior Center Upgrades	\$ -	\$ 34,405.76	\$ (34,405.76)
Planning and Administration	\$ -	\$ -	\$ 287,179.22
Encanto Community Center	\$ -	\$ -	\$ 515,292.70
		GRAND TOTAL:	<u>\$ 802,471.92</u>

The purpose of the reallocation of funds from modification to public facilities to Planning and Administration is that there has been an increase in staff in the Housing and Homelessness Division within the Community Development and Housing Department that assist in the management of the CDBG-CV funds. This includes processing invoices, the purchase of additional office supplies and equipment, and financial oversight of the projects funded by these funds. Project management of these funds has increased the workload related to the time spent on the projects funded by these grant monies. Lastly, there is a greater need for research to ensure proper use of funds and for compliance with CDBG-CV funding guidelines. Any improper use of CDBG-CV funds could result in the City being required to pay back funds with City's General Fund.

The reallocation of funds to Encanto Community Center is due to additional funds needed to complete the project. Since the original proposal in 2021, Encanto Community Center requires additional CDBG-CV funds to complete the building improvements. The original proposed projects have been completed or near completion with the aid of our regular CDBG allocation by the City's Public Works Department.

As for the funds from the CBDG-CV1 project in the amount of \$316,992.70, a budgetary technical correction is needed to appropriate the unexpended funds not carried over from the FY 2022-2023 operating budget. The remaining funds in the amount of \$485,479.22 will be reappropriated as discussed above in the FY 2024-2025 budget. This technical correction is completed with Resolution 2024-XXX to ensure that this fund is reflected in the City's FY 2024-2025 Operating Budget.

It is important to note that no grant activities were designed for the maintenance, repair or operation of public restrooms at our parks as they are not allowed under CDBG guidelines. As such if a project for new restrooms was requested, the proposed project would need to be presented by the Public Works Department.

The redirection of these funds will ensure they are utilized efficiently to meet current and emerging community needs, particularly in enhancing administrative capacity and completing critical infrastructure at the Encanto Community Center.

2021-2025 Strategic Targets and Goals

Providing funding assistance to occupants residing in a property slated for abatement aligns with Key Target No. 3- Improved Quality of Life by securing the building, and eliminating a health and safety hazard, and assisting San Bernardino residents.

Fiscal Impact

There is no General Fund impact to the City should the Mayor and City Council adopt this item; however, the grant funds will be reallocated as outlined in the report.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California:

1. Conduct a public hearing to obtain citizens' comments on the proposed Fourth Substantial Amendments to the Fiscal Year 2020-2021 Annual Action Plan for the Community Development Block Grant Coronavirus Relief Funds; and
2. Approve the Substantial Amendment to Fiscal Year 2020-2021 Annual Action Plan for the Community Development Block Grant; and
3. Approve the Technical Correction and Adopt Resolution Number 2024-180; and authorize the Director of Finance to amend the Fiscal Year 2024/25 Operating Budget with an appropriation of \$316,992.70 to both revenues and expenditures in accordance with the Fourth Substantial Amendment to the 2020-2021 Annual Action Plan; and
4. Authorize the City Manager or designee to take any further actions and execute any further agreements or documents as necessary to effectuate the submittal of the Proposed Substantial Amendments to Fiscal Year 2020-2021 Annual Action Plan.

Attachments

- | | |
|---------------|---|
| Attachment 1: | Consolidated Plan-Action Plan FY 2020-2025 |
| Attachment 2: | 2020-2021 Fourth Substantial Amendment to the Annual
Action Plan |
| Attachment 3: | Resolution 2024-180 Substantial Amendment |
| Attachment 4: | Proof of Publication |

Ward:

All Wards

Synopsis of Previous Council Actions:

- | | |
|----------------|---|
| April 15, 2020 | The City Council adopted the FY 2020-2025 Consolidated Plan, which included the 2020-2021 Annual Action Plan |
| Sep. 16, 2020 | On September 16, 2020, the City Council approved the City of San Bernardino's (City) Substantial Amendment to the FY 2020-21 AP. This Substantial Amendment included approval of CDBG-CV1 funds. |
| March 17, 2021 | On March 17, 2021, the City Council approved the City of San Bernardino's (City) Second Substantial Amendment to the FY 2020-21 AAP. This Substantial Amendment included approval of CDBG-CV3 funds |
| Aug 16, 2023 | On August 16, 2023, the City Council approved the City of San Bernardino's (City) Third Substantial Amendment to the FY 2020-21 AAP. This Substantial Amendment included the reallocation of unspent CDBG-CV1 and CV3 funds to be used towards emergency shelter opportunities, supportive social services and ultimately preventing the spread of Coronavirus among shelter occupants. |