



PUBLIC HEARING

City of San Bernardino Request for Council Action

Date: April 17, 2024

To: Honorable Mayor and City Council Members

From: Charles A. Montoya, City Manager
Gabriel Elliot, Director of Community Development and Housing Department

Department: Community Development and Housing

Subject: **Proposed Substantial Amendment to Fiscal Years 2023-2024 and 2020-2021 Annual Action Plan Associated with Community Development Block Grant and Community Development Block Grant (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 Substantial Amendments to 2023-2024 and 2020-2021 Annual Action Plans for the Community Development Block Grant; and
2. Approve the Substantial Amendments to Fiscal Year 2023-2024 and 2020-2021 Annual Action Plans for the Community Development Block Grant; and
3. Adopt Resolution 2024-075, approving the draft Substantial amendment to the housing and urban development fiscal year 2023-2024 and 2020-2021 Community development block grant annual action plan; and
4. Authorize the Director of Finance and Management Services to adjust the Fiscal Year 2023-2024 Budget Appropriation pursuant to the Substantial Amendment 2023-2024 and 2020-2021 Action Plans; and
5. 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 2023-2024 and 2020-2021 Annual Action Plans.

Executive Summary

City Staff is requesting to conduct a Public Hearing to provide the public an opportunity to comment on the proposed Substantial Amendment to Fiscal Year 2023-2024 Annual Action Plan for the Community Development Block Grant (CDBG) to reallocate unexpended funds from completed projects and/or movement of funds from stagnated projects to active projects.

Background

On July 1, 2020, The City awarded the Public Works Department \$665,000 in CDBG funds for the Encanto Community Center, Phase I, improvements.

On July 1, 2023, The City awarded the Public Works Department \$1,080,158 in CDBG funds to execute a CDBG-eligible street improvement project.

Discussion

Due to construction timeliness and to adhere to the CDBG expenditure requirements City staff is taking the initiative to reprogram funds to projects currently in progress that need additional funding.

| Project Name | Original Allocation | Reallocated Total |
|--------------------------|---------------------|-------------------|
| Encanto Community Center | \$ 665,000.00 | (\$ 655,886.73) |
| Street Improvements | \$1,080,158.00 | (\$1,080,158.00) |
| Nicholson Park | -0- | \$1,746,044.73 |

Currently, the Nicholson Park Project will be converted into a very large, rubberized ball field for children and adults with physical disabilities. With the increase in funds from the following completed or halted projects, Nicholson would expand its Scope of Work already in progress to encompass upgrades to its community center.

The Encanto Project was allocated \$665,000 in 2020 for the Design Phase of its park renovation. The project was halted due to the COVID-19 Pandemic, and later underwent a change in Scope of Work, therefore much of the originally allocated funds are not needed. The City plans to decrease the original allocation to less any previous expenditures—for the new design and reprogram the remaining balance to the Nicholson Park Project. This change will affect the 2020-2021 AAP.

In 2023, The City awarded \$1,080,158 to Public Works for a Street Improvement Project, despite not having a project identified. A specific Street Improvement project has still not been identified, and to meet the federal CDBG timeliness requirements,

the funds are being allocated to the Nicholson Park project. The Substantial Amendment for the 2023-2024 Fiscal Year seeks to move the Street Improvement Project allocation to Nicholson Park.

Reprogramming the CDBG funds will allow the City to better utilize federal funds and continue to follow HUD regulations regarding timely expenditure of grant funds. Specifically, with CDBG, by reallocating stagnated funds to Nicholson Park, we can readily use funds at risk of forfeiture due to untimely expenditure according to HUD timeliness requirements.

2021-2025 Strategic Targets and Goals

The proposed Action Plans will meet Key Target No. 3: Improved Quality of Life by providing infrastructure, fair housing, and business assistance in The City. The reprogramming of these funding streams will assist more residents and improve the quality of life of those serviced by the Emergency Interim Shelter.

Fiscal Impact

There is no General Fund impact associated with this item. The respective grant funds will be adjusted 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 Substantial Amendments to 2023-2024 and 2020-2021 Annual Action Plans for the Community Development Block Grant; and
2. Approve the Substantial Amendments to Fiscal Year 2023-2024 and 2020-2021 Annual Action Plans for the Community Development Block Grant; and
3. Adopt Resolution 2024-075, approving the draft Substantial amendment to the housing and urban development fiscal year 2023-2024 and 2020-2021 Community development block grant annual action plan; and
4. Authorize the Director of Finance and Management Services to adjust the Fiscal Year 2023-2024 Budget Appropriation pursuant to the Substantial Amendment 2023-2024 and 2020-2021 Action Plans; and
5. 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 2023-2024 and 2020-2021 Annual Action Plans

Attachments

Attachment 1 2020-2021 Consolidated Plan and Annual Action Plan

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|--------------|---|
| Attachment 2 | 2020-2021 Third Substantial Amendment to the Annual Action Plan |
| Attachment 3 | 2023-2024 Annual Action Plan-Final |
| Attachment 4 | 2023-2024 First Substantial Amendment to Annual Action Plan |
| Attachment 5 | Resolution No. 2024-075 - 2024 Substantial Amendment |

Ward:

All Wards

Synopsis of Previous Council Actions:

| | |
|----------------|---|
| April 15, 2020 | Mayor and City Council adopted the Fiscal Year 2020-2025 Consolidated Plan, which included the 2020-2021 AAP. |
| June 6, 2023 | Mayor and City Council held a Public Hearing Approving Fiscal Year 2023-2024 AAP associated with CDBG, ESG, and HOME (All Wards). |