

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

January 26, 2021

FROM

GARY HALLEN, Director, Department of Community Development and Housing

SUBJECT

Substantial Amendment to the United States Department of Housing and Urban Development Program Year 2019-2020 Annual Action Plan

RECOMMENDATIONS

1. Conduct a public hearing to consider proposed revisions to the County of San Bernardino's 2019-2020 Annual Action Plan that will allow the County to:
 - a. Accept and utilize \$4,538,159 in Round 3 of United States Housing and Urban Development Department Community Development Block Grant – Coronavirus 3 funding to address the effects of the Coronavirus pandemic;
 - b. Approve the proposed use of the County's portion of the Community Development Block Grant – Coronavirus 3 funding to support the following activities:
 - i. Pacific Village project (\$1,976,566) that will support the rehabilitation of an existing public facility that will be converted into 28 units of interim, permanent, and/or long-term housing and support services for the homeless;
 - ii. CDBG-CV3 Administration (\$453,815) to pay for reasonable program administrative costs and carrying charges related to the planning and execution of the federal CDBG-CV3 program;
 - iii. CDBG Cooperating Cities (\$2,107,778) to be allocated to specific activities and approved by the Board of Supervisors by Spring 2021;
 - c. Approve increase to Bloomington III (Ayala Park) project, funded with program income generated by the project, for the reuse of further development of the Ayala Park project;
 - d. Adjust the City of Barstow's CDBG-CV1 allocation to cancel the City's Business Loan to Grant Program and transfer the funds to its new Homeless Prevention Component of its Temporary Stay Project.
2. Authorize the Chief Executive Officer or Director of Community Development and Housing upon award from the U.S. Department of Housing and Urban Development, after review and approval of County Counsel, to accept the grant and sign the grant agreement and all other subsequent documents related to the acceptance of the grant;
3. Approve delegation of signature authority as required by the U.S. Department of Housing and Urban Development for the administration and implementation of federal Community Planning and Development grants from the U.S. Department of Housing and Urban Development to the Chief Executive Officer or the Director of Community Development and Housing;
4. Direct the Chief Executive Officer or the Director of Community Development and Housing to transmit all documents and amendments in relation to this grant award to the Clerk of the Board of Supervisors within 30 days of execution; and
5. Authorize the Auditor-Controller/Treasurer/Tax Collector to post appropriation adjustments to the Community Development and Housing Agency 2020-21 budgets as detailed in the Financial Impact section. (Four votes required.)

(Presenter: Gary Hallen, Director, 387-4411)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

Approval of this item will not result in the use of any Discretionary General Funding (Net County Costs). Round 3 of Federal block grant funding in the amount of \$4,538,159 has been made available through the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act, which has been allocated to San Bernardino County (County) to address the Coronavirus pandemic (COVID-19).

To further support the County's efforts to respond to, provide for, and prevent the spread of the Coronavirus, the U.S. Department of Housing and Urban Development (HUD) has awarded an additional round of CDBG CARES Act funding (referred to as CDBG-CV3) to the County totaling \$4,538,159. These funds may be used for Building and Improvements, Business Assistance Programs, and Public Service activities that will address the COVID-19.

Budget Adjustments

Approval of Recommendation No. 5 authorizes the Auditor-Controller/Treasurer/Tax Collector to post the following budget adjustments necessary to authorize expenditures:

Budget adjustments to CV

Cost Center	Commitment Item/GL	Description	Action	Amount
6210002481	53003205	Public Assistance	Increase	\$2,107,778
6210002481	55305030	Operating Transfer	Increase	\$1,976,566
6210002481	55405010	Transfer Out	Increase	\$453,815
6210002481	40509094	Federal Grants	Increase	\$4,538,159

Budget adjustments to the Bloomington III (Ayala Park) Project

Cost Center	Commitment Item/GL	Description	Action	Amount
6210002478	55405040	Intra-Fund Transfer	Increase	\$2,100,000
6210002478	40909975	Transfer In	Increase	\$2,100,000
6210002480	53003205	Public Assistance	Increase	\$2,100,000
6210002480	55415041	Intra-Fund Transfer	Increase	\$2,100,000
6210002496	53003205	Public Assistance	Increase	\$1,575,000
6210002496	40909975	Transfer In	Increase	\$1,575,000

The above-mentioned budget adjustments will allow program income generated by the sale of the old Ayala Park and Special District Reserve funds dedicated to the development of the new Ayala Park to be transferred to the CDBG Program for reinvestment back into the new Ayala Park.

BACKGROUND INFORMATION

The 2019-20 HUD Annual Action Plan that covers the fifth-year installment of the HUD approved 2015-2020 HUD Consolidated Plan was adopted by the Board of Supervisors (Board) on April 30, 2019 (Item No. 35). From time to time, it may be necessary for the County to process a Substantial Amendment to its Five-Year Consolidated Plan(s) or Annual Action Plan(s). A Substantial Amendment may include significant revisions to Community Development Block

Grant (CDBG), HOME Investment Partnerships (HOME), or Emergency Solutions Grant (ESG) funded activities (addition of new or modification to existing activities); changes in programmatic budgets; and/or other program administrative actions. The recommended amendment includes proposed activities to address the response to and prevention of the spread of Coronavirus. The County will coordinate with its cooperating cities to amend the HUD plans to provide a variety of business assistance, food distribution, homeless prevention, street outreach and building improvement activities proposed to address the impacts from COVID-19 throughout the County.

Under the County's current Citizen Participation Plan, a Substantial Amendment to a Consolidated and/or Annual Action Plan(s) is required when significant revisions to the currently approved documents occur. Consequently, the County must conduct a thirty (30) day public comment period and public hearing, receive formal action by the Board, and approval by HUD. However, due to the declared state of emergency associated with the COVID-19, the required thirty (30) day public notice requirement was decreased to five (5) days to provide the public an opportunity to review and comment on the proposed Substantial Amendments; the public notice must be published using communication outlets accessible to the public.

To meet these requirements, the County published a public notice in the following publications: Big Bear Grizzly, Daily Press, Hi-Desert Star, Inland Valley Daily Bulletin, La Prensa Hispana, and The Sun. The County also posted notices and any applicable supporting documentation on the County's website at <http://sbcountycdha.com/community-development-and-housing-department/hud-plans-reports/> for no less than 5 days, as authorized under the CARES Act. The public comment period began on January 21, 2021 and will conclude once all comments are received at the January 26, 2021 Board meeting. Any comments received during the public hearing will be considered and included in the County's Substantial Amendment submittal to HUD.

In order for the Community Development and Housing Department (CDH) to gain access to the proposed CDBG-CV3 funding to address the impacts of COVID-19 as soon as possible, CDH recommends that the Board approve the Substantial Amendment to the 2019-20 Annual Action Plan and direct CDH to submit the Substantial Amendment to HUD.

Proposed CDBG-CV Activities and CDBG-CV1 Budget Adjustments

The County is considered an Urban County under the HUD Community Planning and Development (CPD) Program that manages the use of all federal community and economic development and housing funding sources (including CDBG-CV funds). Under the above-mentioned Consolidated Plan, the areas served by the proposed use of CDBG-CV3 funds will include unincorporated areas of the County and 13 cooperating cities. These cities are Adelanto, Barstow, Big Bear Lake, Colton, Grand Terrace, Highland, Loma Linda, Montclair, Needles, Redlands, Twentynine Palms, Yucaipa, and the Town of Yucca Valley. For these grant funds, this area is referred to as the "County Consortium".

Unlike the distribution process of CDBG-CV1 funds, the distribution of CDBG-CV3 funds will occur in two phases. The first phase will allow the County to allocate its portion of CDBG-CV3 funds to support the development of the Pacific Village project. The second phase will allow the Cooperating Cities more time to program their portion of CDBG-CV3 funding. More information regarding each phase is provided below.

County CDBG-CV3 - Pacific Village Project

County staff proposes to use its allocation of CDBG-CV3 (\$1,976,566) to support the Pacific Village Project.

Pacific Village

The Pacific Village project will use \$1,976,566 to purchase and rehabilitate an existing public facility that will be converted to into 28 units of interim, permanent, and/or long-term housing and

support services for the homeless. This project will be leveraged with \$3.1 million of State of California Home Key funds and \$2.8 million in County Permanent Local Housing Allocation funds.

CDBG-CV3 Administration

\$453,815 in CDBG-CV3 funds will be used to pay for reasonable program administrative costs and carrying charges related to the planning and execution of the federal CDBG-CV3 program.

CDBG Cooperating Cities

The CDBG Cooperating Cities will share \$2,107,778 in CDBG-CV3 funding. All CDBG-CV3 funds must be used to prevent the spread of and respond to Coronavirus, which may include activities such as business assistance, food distribution, homeless prevention, street outreach and building improvements.

To allow the CDBG Cooperating Cities the time they need to identify activities that will best address COVID-19 within their communities and gain their governing body's approval of their proposed CDBG-CV3 activities, the CDBG Cooperating Cities will announce their CDBG-CV3 activities by February 2021. County staff will seek Board approval of these activities by or before the March 16, 2021 via Board of Supervisors meeting.

Bloomington III (Ayala Park) Project

A public-private partnership with Related California, Bloomington III (Ayala Park) is the third phase of this multi-use development and will consist of 98 affordable apartments nestled around a community building with computer lab and laundry area, two tot lots and barbeque areas. Twenty apartments have been reserved for special needs residents through direct referrals from the County of San Bernardino Department of Mental Health and the Inland Empire Health Plan. Onsite social services for residents will be provided by PATH and the Boys and Girls Club of Fontana and include educational, health and wellness classes along with computer training and financial literacy. In addition to the residential component, the development will include a new 8,500 square foot public park community center that will provide facilities and services for the future public park that will be located to the north of the development, and is currently under construction.

CDH will use program income generated by the project to further the construction of the Bloomington III (Ayala Park) project. Because of the amount of program income generated by the Bloomington III Project represents a substantial increase to the projects overall budget, it is necessary to go to the Board of Supervisors for approval for the use of these funds.

CDBG-CV1 Budget Adjustments

Periodically, it is necessary to adjust the Consolidated and/or Annual Action Plans to ensure that the goals, objectives and/or activities remain relative to the communities' levels of need. Recent trends within the City of Barstow have shown an increased need for homeless prevention activities in the form of subsistence payments. To respond to this increased community need, the City of Barstow proposes to make the following adjustments to its awarded allotment of CDBG-CV1 funds to respond to, prepare for, and prevent the spread COVID-19.

City of Barstow CDBG CV-1 Adjustments

Activity	Current Funding Level	Proposed Funding Level
Business Loan to Grant Program	\$37,500	\$0
Temporary Stay Program	\$32,398	\$0
Homeless Prevention (subsistence payments)	\$0	\$69,898

Delegate Signature Authority as Required by HUD

Periodically, the signature authority for the HUD CPD grants is reviewed and updated. This action delegates signature authority to the Chief Executive Officer or the Director of CDH for the administration and implementation of CPD grants from HUD. Any change to the signature authority requires a formal Board action.

The County receives annual and special emergency allocations from HUD for CDBG, HOME and ESG funding. These grants are entitlement grants appropriated by Congress to local governmental entities which are implemented by the CPD Division of HUD. HUD requires local governing bodies to delegate signature authority to a staff member(s) to administer/implement grants in an efficient and effective manner. This signature authority includes but is not limited to the signing of documents relating to HUD Certifications; SF-424 Forms; Consolidated/Annual Action Plans; Consolidated Annual Performance and Evaluation Reports; Environmental Assessments; computerized software programs such as Integrated Disbursement and Information Systems and Disaster Recovery Grant Reporting; various other HUD reports, correspondence and related documents as required by HUD.

CDH will continue to submit any regional policy and planning documents (including any substantial amendments of these documents) to the Clerk of the Board for public review 30 days prior to their consideration by the Board, unless a more streamlined process is allowed by HUD.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on December 29, 2020; Auditor-Controller, Treasurer, Tax Collector (Erika Gomez, General Accounting Manager, 382-3196) on January 11, 2021; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412) on January 12, 2021; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on January 20, 2021.