

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



April 16, 2019

**FROM: GARY HALLEN, Director
Community Development and Housing**

**SUBJECT: 2019-20 PROPOSED HUD ANNUAL ACTION PLAN FOR THE COMMUNITY
DEVELOPMENT BLOCK GRANT, HOME INVESTMENTS PARTNERSHIPS
ACT, AND EMERGENCY SOLUTIONS GRANT PROGRAMS**

RECOMMENDATION(S)

1. Conduct a public hearing on the Proposed 2019-20 U.S. Department of Housing and Urban Development Annual Action Plan for the County's application for \$10,621,760 from the Community Development Block Grant, Home Investment Partnerships Act, and Emergency Solutions Grant, including the list of recommended projects that best meet the identified community development needs under the three grants and;
2. Consider any necessary changes to the Proposed 2019-20 U.S. Department of Housing and Urban Development Annual Action Plan and direct staff to return to the Board on April 30, 2019, with a Final 2019-20 Annual Action Plan for review and approval prior to submittal to the U.S. Department of Housing and Urban Development.
(Presenter: Gary Hallen, Director, 387-4411)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS AND OBJECTIVES

- Implement the Countywide Vision.**
- Create, Maintain and Grow Jobs and Economic Value in the County.**
- 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 impact Discretionary General Funding (Net County Cost). The County's 2019-20 U.S. Department of Housing and Urban Development (HUD) Consolidated Grants estimated allocation is \$10,621,760. The estimated program income to be generated during 2019-20 is expected to be approximately \$2,720,700 and will not be available for programming until a later date. Program income is derived from repayment of loans and grant funded activities from prior year HUD Annual Action Plan investments.

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Grant Type	2019-2020
Community Development Block Grant (CDBG)	\$6,839,436
HOME Investment Partnerships Act (HOME)	\$3,224,763
Emergency Solutions Grant (ESG)	\$557,561
Total	\$10,621,760

Of the \$6,839,436 in CDBG funds, a total of \$2,065,495 is allocated toward County selected Capital Improvement Projects identified in the 2019-20 HUD Annual Action Plan (HUD Annual Action Plan). Budget adjustments for the Capital Improvement Program (CIP) are not being requested at this time, but will be included in the 2019-20 CIP Recommended Budget. Funding of projects described in the HUD Annual Action Plan is subject to final HUD allocation. Adequate appropriation and revenue will be identified for each project prior to commencement.

BACKGROUND INFORMATION

The County is required to submit a HUD Annual Action Plan in order to have access to grant funding. The HUD Annual Action Plan also serves as the County's grant application. The Proposed HUD Annual Action Plan recommends projects that best meet identified community development needs eligible for CDBG, HOME, and/or ESG.

The Proposed 2019-20 HUD Annual Action Plan covers the fifth year installment of the HUD approved 2015-2020 HUD Consolidated Plan. The 2015-2020 HUD Consolidated Plan identified the community development needs for the County and was approved by the Board of Supervisors (Board) on May 5, 2015 (Item No. 20). As part of the Board approval process, a public hearing must be conducted to review and receive public comments on the Proposed 2019-20 HUD Annual Action Plan.

HUD grants are variable and subject to change on a year-by-year basis based on overall federal budget funding and priorities. This Proposed 2019-20 HUD Annual Action Plan is based on the estimated allocation for 2019-20. Final project funding amounts may change based upon the actual 2019-20 allocation amount. The following summarizes the 2019-20 estimated activity allocations. Also, included in the CDBG estimated activity allocations are the City's share of prior years of uncommitted CDBG funds for both Public Facilities Improvements and Street, Curb and Gutter Improvements activities:

Activity/Project	Grant Type	Anticipated Funding Amount
New Construction/Acquisition/Rehabilitation of Multi-Family Housing Units	HOME	\$6,000,000
New Construction/Acquisition/ Rehabilitation of Accessible Housing/Special Needs	HOME	\$3,325,000
Public Facilities Improvements	CDBG	\$4,305,693
Street, Curb, and Gutter Improvements	CDBG	\$2,516,298
Code Enforcement, Demolition and Clearance	CDBG	\$329,271

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Public Service Activities	CDBG	\$532,423
Emergency Solutions Grant Eligible Activities	ESG	\$614,524

Community Development Block Grant (CDBG)

San Bernardino County qualifies for federal housing and CDBG funds from HUD. CDBG funds can be used to fund infrastructure, economic development, and public service projects. An estimated \$4,924,396 of 2019-20 CDBG funds, \$338,590 of City's and \$300,000 of County's share of prior years of uncommitted CDBG funds and \$2,120,700 of anticipated CDBG program income for a total of \$7,683,685 will be available to be expended by the County CDBG Consortium, which includes the unincorporated County and the following 13 cities and communities:

Adelanto	Montclair
Barstow	Needles
Big Bear Lake	Redlands
Colton	Twentynine Palms
Grand Terrace	Yucaipa
Highland	Town of Yucca Valley
Loma Linda	Unincorporated county

Emergency Solutions Grant (ESG)

The County expects an estimated \$614,524 of 2019-20 and prior year ESG funds to be available for the delivery of homelessness prevention, emergency shelter, rapid re-housing services, Homeless Management Information System (HMIS) operations, and street outreach provided by qualified service providers. Due to the recent implementation of the HUD-mandated Coordinated Entry System, which prioritizes clients of greatest need, ESG funds can be utilized Countywide.

HOME Investment Partnerships Act (HOME)

The County estimates \$9,325,000 of 2019-20 and prior year HOME funds are available for affordable housing activities. The HOME funds are used to help finance the construction of multi-family affordable units in the County. In addition to the County CDBG Consortium, HOME funds can also be invested in the following two cities:

Chino Hills	Rancho Cucamonga
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The 13 cities listed above, together with the County unincorporated areas and the cities of Chino Hills and Rancho Cucamonga comprise the County's HOME Consortium. HOME funds are allocated on a competitive basis within the HOME Consortium. The County anticipates making funding recommendations when the actual HOME funding is announced later this year. HOME projects were selected through a Notice of Funding Availability process.

HUD Action Plan Approval Process

The approval of the HUD Annual Action Plan is a two-step process. The first step is to hold the public comment period and conduct a public hearing. Today's public hearing was scheduled and the Notice of Hearing was published in six newspapers throughout the County. The Notice provided a thirty (30) - day public comment period that began on March 15, 2019 and ends on April 16, 2019 at the close of the Board meeting. Prior to this public hearing, a draft copy of the proposed 2019-20 HUD Annual Action Plan was prepared, based on the expected HUD award allocation. The draft copy included Proposed CDBG, HOME, and ESG funding for projects and programs during the fiscal year 2019-20, the federal grant application forms (424 forms), and grant certifications.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Robert F. Messinger, Principal Assistant County Counsel, 387-8979 on March 7, 2019; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412) on March 11, 2019; and County Finance and Administration (Matthew Erickson, Deputy Executive Officer, 387-5423) on _____, 2019.