

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

September 14, 2021

FROM

GARY HALLEN, Director, Community Development and Housing Department

SUBJECT

Proposed Substantial Amendment to the Program Year 2019-20 and 2020-21 HUD Annual Action Plans

RECOMMENDATION(S)

1. Conduct a public hearing to obtain citizen comments on the proposed Substantial Amendment to the Program Year 2019-20 and 2020-21 Housing and Urban Development Annual Action Plans. Adjustments to the existing Program Year 2019-20 and 2020-21 Housing and Urban Development Annual Action Plans will include:
 - a. The cancellation of certain Community Development Block Grant Coronavirus Round 1 and Coronavirus Round 3 activities.
 - b. Reallocation of existing Community Development Block Grant Coronavirus Round 1 and Round 3 activities budgets to fund new Community Development Block Grant Coronavirus Round 1 and Round 3 activities that will prevent, prepare for, or respond to the coronavirus.
 - c. The reallocation of Emergency Solutions Grant, Emergency Solutions Grant-Coronavirus Round 1 and Round 2 activities funds to new Emergency Solutions Grant and Emergency Solutions Grant-Coronavirus Round 1 and Round 2 activities that will address the County's homeless situation.
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to post necessary adjustments to the Community Development and Housing Department's 2021-22 budgets, as detailed in the Financial Impact Section (Four votes required).
3. Approve the Substantial Amendments to the Program Year 2019-20 and 2020-21 Housing and Urban Development Annual Action Plans and direct the Chief Executive Officer or the Director of Community Development and Housing to transmit all documents and amendments related to the Program Year 2019-20 and 2020-21 Annual Action Plans to the U.S. Department of Housing and Urban Development within 30 days of execution.

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

Operate in a Fiscally Responsible and Business-Like Manner.

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 and Stakeholders.

FINANCIAL IMPACT

**Proposed Substantial Amendment to the Program Year 2019-20 and 2020-21 HUD Annual Action Plans
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Approval of this item will not result in the use of any Discretionary General Funding (Net County Cost). The U.S. Department of Housing and Urban Development (HUD) has issued a Community Development Block Grant – Coronavirus Round 1 and Round 3 (CDBG-CV1 / CDBG-CV3) in the amount of \$8,906,464, Program Year (PY) 2019-20 and 2020-21 Emergency Solutions Grant (ESG) in the amount of \$1,246,626, and Emergency Solutions Grant - Coronavirus Round 1 and Round 2 (ESG-CV1 / ESG-CV2) funds in the amount of \$8,594,080 through the federal Coronavirus Aid, Relief, and Economic Stimulus (CARES) Act, for a combined total of \$18,747,170.

At the Board of Supervisors (Board) meetings on May 19, 2020 (Item No. 109), August 25, 2020 (Item No. 75) and January 26, 2021 (Item No. 73), the Auditor-Controller/Treasurer/Tax Collector was given the authority to post necessary budget adjustments (CDBG-CV1 - \$4,368,305, CDBG-CV3 - \$4,538,159, ESG-CV1 - \$2,192,210 and ESG CV2 - \$6,401,870) to SAP Cost Centers 6210002481 and 6210002483 to authorize expenditures against these accounts.

Budget Adjustments for Pacific Village

On January 26, 2021 (Item No. 73), the Board authorized the County to allocate \$1,976,566 in CDBG-CV3 funds to support the Pacific Village Project. Due to a delay in the receipt of CDBG-CV3 funds from HUD, it is necessary for the County to carry over the authorized \$1,976,566 budget from Fiscal Year (FY) 2020-21 to FY 2021-22 to pay for necessary expenses associated with the development of the Pacific Village project.

Approval of Recommendation No. 2 authorizes the Auditor-Controller/Treasurer/Tax Collector to post the following budget adjustments necessary to authorize expenditures:

Cost Center	Commitment Item/GL	Description	Action	Amount
6210002481	55405040	Intra-Fund Transfer	Increase	\$1,976,566
6210002481	40509094	Federal Grants	Increase	\$1,976,566
6210002507	53003205	Public Assistance	Increase	\$1,976,566
6210002507	55415041	Intra-Fund Transfer	Increase	\$1,976,566

BACKGROUND INFORMATION

Under San Bernardino County’s (County) current HUD Citizen Participation Plan, a Substantial Amendment to the County’s HUD Annual Action Plan is required when significant revisions to a currently or previously approved document occur. From time to time, it may be necessary for the County to process a “substantial amendment” to change the use of federal funds from one eligible activity to another (e.g., new activity, significant budget adjustments, and/or activity cancellation). This proposed substantial amendment will allow the County to make adjustments to its PY 2019-20 and 2020-21 Annual Action Plans. For the CDBG, CDBG-CV1 and CDBG-CV3 program, these adjustments will either add, modify and/or cancel existing activities administered by the cities of Barstow, Big Bear Lake, and Redlands (see Attachment A), due to lack of activity and duplication of program services, and direct these funds to new or existing COVID-19 activities of greater demand within these communities at the Cities’ request.

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For ESG, ESG-CV1, and ESG-CV2 Programs, the County will redistribute Board approved funds between eligible HUD ESG and ESG-CV1 and CV2 program components [e.g. Street Outreach, Emergency Shelter, Homeless Prevention, Rapid Rehousing, Homeless Management Information System (HMIS) and Administration] so that they mitigate the impacts created by the coronavirus to individuals and families who are homeless or receiving homeless assistance and align with the County’s Homeless Strategic Plan Framework and PY 2020-25 Consolidated Plan strategies for addressing homelessness.

City CDBG-CV1 and CDBG-CV3 Proposed Budget Modifications

To ensure our Participating CDBG Cities CARES Act funded activities remain effective in addressing the spread COVID-19 within their communities, the CDBG Participating Cities were given an opportunity to adjust the funding of their CDBG-CV1 and CDBG-CV3 funded activities. The Cities of Barstow, Big Bear Lake, and Redlands have proposed the following budgetary actions.

CDBG-CV1 and CDBG-CV3 canceled and modified budgets are as follows:

Eligible Activity	Current CDBG-CV1 or CDBG-CV3 Funding	Proposed New Amount of CDBG-CV1 or CDBG-CV3 Funding
Barstow: Emergency Food Delivery Program	\$18,000	\$0
Barstow: Homeless Prevention - Utility Assistance Program	\$239,130	\$0
Big Bear Lake: COVID-19 Electronic Monument Sign-Veterans Park	\$123,292	\$0
Redlands: Emergency Food and Rent Assistance Program	\$125,000	\$0
Redlands: Senior Transportation	\$24,000	\$0
Redlands: Emergency Rent, Mortgage and Utility Assistance Program	\$110,920	\$0
Barstow: COVID-19 Testing Events	\$75,000	\$15,785.76

CDBG-CV3 new proposed budgets are as follows:

Eligible Activity	Current CDBG-CV1 or CDBG-CV3 Funding	Proposed New Amount of CDBG-CV1 or CDBG-CV3 Funding
Barstow: COVID-19 Response- Public Facilities Ventilation Upgrades	\$0	\$316,344.24

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Eligible Activity	Current CDBG-CV1 or CDBG-CV3 Funding	Proposed New Amount of CDBG-CV1 or CDBG-CV3 Funding
Big Bear: ADA Touchless Features for Public Restrooms	\$0	\$123,292
Redlands: Senior Center Improvement Project - Outdoor Dining Area for Seniors	\$0	\$259,920

County CDBG-CV3 - Pacific Village Project

The Pacific Village project will use \$1,976,566 to purchase and rehabilitate 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. This project will be leveraged with \$3.1 million of State of California Homekey funds and \$2.8 million in County Permanent Local Housing Allocation funds.

Budget adjustments will allow the County to carry over budget from FY 2020-21 to 2021-22, due to a delay from HUD in receipt of grant funds, to pay for expenditures attributed to the purchase and rehabilitation of the Pacific Village project.

County ESG, ESG-CV1 and ESG-CV2 Activities

To assist in the COVID-19 relief efforts for persons experiencing homelessness, funding is being reallocated between eligible activities listed in the table below, and will be expended based on priority as determined by the County's Homeless Strategic Plan Framework and PY 2020-25 Consolidated Plan, specifically to address the need to expand homeless prevention and housing programs to provide early intervention. PY 2019-20 ESG (\$610,885) and 2020-21 ESG (\$635,741), ESG-CV1 (\$2,192,210) and ESG-CV2 (\$6,401,870) funds totaling \$9,840,706 will be allocated to: 1) improve the number and quality of emergency shelters for homeless individuals and families; 2) help operate emergency shelters; 3) provide essential services to shelter residents; 4) rapidly re-house homeless individuals and families; and 5) prevent families/individuals from becoming homeless.

Proposed revisions to the ESG, ESG-CV1 and ESG-CV2 budgets are as follows:

2019-20 and 2020-21 ESG, ESG-CV1 and ESG-CV2 Budgets		
2019-20 ESG		
Eligible Activity	Current 2019-20 ESG Funding	Proposed New Amount of 2019- 20 ESG Funding
Emergency Shelter	\$214,041	\$153,980.50
Street Outreach	\$125,000	\$100,000
Rapid Rehousing	\$166,028	\$200,000
Homeless Management Information System	\$10,000	\$61,088.50
2020-21 ESG		

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2019-20 and 2020-21 ESG, ESG-CV1 and ESG-CV2 Budgets		
2019-20 ESG		
Eligible Activity	Current 2019-20 ESG Funding	Proposed New Amount of 2019- 20 ESG Funding
Eligible Activity	Current 2020-21 ESG Funding	Proposed New Amount of 2020-21 ESG Funding
Emergency Shelter	*\$104,919	\$52,459
Street Outreach		\$52,460
ESG-CV1		
Eligible Activity	Current ESG-CV1 Funding	Proposed New Amount of ESG-CV1 Funding
Emergency Shelter	\$200,000	\$1,198,790
Street Outreach	\$0	\$200,000
Rapid Rehousing	\$0	\$205,000
Homeless Prevention	\$1,600,000	\$150,000
Homeless Management Information System	\$173,000	\$219,210
ESG-CV2		
Eligible Activity	Current ESG-CV2 Funding	Proposed New Amount of ESG-CV2 Funding
Emergency Shelter	\$125,000	\$400,000
Street Outreach	\$353,000	\$53,000
Rapid Rehousing	\$4,573,683	\$4,068,683
Homeless Prevention	\$210,000	\$740,000

*The Emergency Shelter and Street Outreach categories were previously a combined budget, but HUD has since provided direction to separate these into two categories to reflect the individual amounts.

The ESG, ESG-CV1 and ESG-CV2 reallocated budgets are as follows:

Eligible Activity	2019-20 ESG	2020-21 ESG	ESG CV1	ESG CV2	TOTAL
Emergency Shelter	\$153,980	\$52,459	\$1,198,790	\$400,000	\$1,805,229
Street Outreach	\$100,000	\$52,460	\$ 200,000	\$53,000	\$405,460
Rapid Rehousing	\$200,000	\$231,141	\$205,000	\$4,068,683	\$4,704,824
Homeless Prevention	\$50,000	\$120,000	\$150,000	\$740,000	\$1,060,000
Homeless Management Information System	\$61,089	\$132,000	\$219,210	\$500,000	\$912,299
Administration	\$45,816	\$47,681	\$219,210	\$640,187	\$952,894

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Eligible Activity	2019-20 ESG	2020-21 ESG	ESG CV1	ESG CV2	TOTAL
Total	\$610,885	\$635,741	\$2,192,210	\$6,401,870	\$9,840,706

All monies must be expended no later than October 21, 2022. To meet this deadline, CDH staff will return to the Board within 90 days to consider a list of competitively procured homeless service providers who will implement the program on the County's behalf.

Citizen Participation

Any proposed amendment that is considered a "Substantial Amendment" is subject to the full Citizen Participation process that requires the County to conduct a 30 day public comment period and public hearing, formal action by the Board, and HUD approval.

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 30 days, as authorized under the CARES Act. The public comment period began on August 13, 2021 and will conclude once all comments are received at the September 14, 2021 Board meeting. Any comments received during the public hearing will be considered and included in the County's Substantial Amendment submittal to HUD.

PROCUREMENT

Not Applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on August 16, 2021; Auditor-Controller, Treasurer, Tax Collector (Erika Gomez, General Accounting Manager, 382-3196) on August 30, 2021; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412) on August 17, 2021; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on August 20, 2021.

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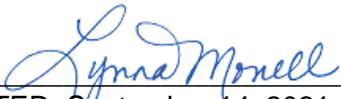
Record of Action of the Board of Supervisors
San Bernardino County

Hearing Opened
Public Comment: None
Hearing Closed

APPROVED

Moved: Joe Baca, Jr. Seconded: Dawn Rowe
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 14, 2021



cc: File - CDH w/ attachments
JLL 09/21/2021