

CONSOLIDATED PLAN ADVISORY BOARD (CPAB)

Thursday, October 01, 2020

VIRTUAL CPAB MEETING

[\(LINK\)](#)

| BOARD MEMBERS PRESENT | BOARD MEMBERS ABSENT |
|--|--|
| <ul style="list-style-type: none"> • Sara Berns, Council District 2 (Vice-Chair) • Eileen Gonzales, Council District 3 • Brenda Campbell, Council District 4 • Patrick Batten, Council District 5 • Rich Thesing, Council District 7 • Victoria Barba, Council District 8 • Peter Dennehy, Council District 9 (Chair) | <ul style="list-style-type: none"> • VACANT, Council District 1 • VACANT, Council District 6 |

| STAFF PRESENT | ATTENDANCE |
|---|---|
| <ul style="list-style-type: none"> • Christina Bibler, Director, Economic Development • Monica Hardman, Assistant Deputy Director, Community Development Division • Angela Nazareno Clark, Program Manager, Community Development Division • Michele Marano, Community Development Coordinator • Leonardo Alarcon, Community Development Project Specialist • Nadine Hassoun, Community Development Project Manager | <p><i>(Public had access to meeting via youtube link)</i></p> |

Call to Order

1. Mr. Peter Dennehy called the meeting to order at 10:05 am. Mr. Dennehy took role call; 7 board members were present. Quorum was achieved at 10:05 a.m.

Mr. Leonardo Alarcon stated directions for the participating members of the meeting on using the Zoom technology features.

Board Member Announcements

2. No board members announcements

Staff Announcements

3. Mr. Alarcon announced that Items 6.b. and 6.c. of the agenda will be combined into one larger presentation. Questions for both items will be answered at the end of the presentations.

Approval of Minutes

4. Ms. Eileen Gonzales made the motion to approve the July 22, 2020 meeting minutes. Mr. Rich Thesing seconded the motion. The minutes were approved unanimously, 6-0-1 (Ms. Sara Berns abstained).

Non-agenda Public Comment

5. *No public comments received via the online form.*

Action Item(s)

6.a: Election of CPAB Chair and Vice-Chair for Fiscal Year (FY) 2021

Mr. Alarcon reviewed [Resolution O-19963, Section 26.2106](#), which states that if the Mayor's office does not provide a memo designating a Chair by August 15, the CPAB will have an election to select the Chair and Vice-Chair.

Mr. Rich Thesing made the motion to recommend Peter Dennehy as the Chair and Sara Berns as the Vice-Chair. Ms. Victoria Barba seconded the motion. The motion passed, 5-0-2 (Mr. Dennehy and Ms. Berns abstain).

6.b.: Hotel Acquisitions for Permanent Supportive Housing &

6.c.: Second Substantial Amendment to FY 2020-2024 Consolidated Plan and FY 2020 Annual Action Plan

Ms. Michele Marano introduced the staff members will present the item. Lisa Jones and Michael Pavko from the San Diego Housing Commission will be presenting information on the Hotel acquisition for permanent supportive housing. For the second part of the presentation, Ms. Christina Bibler, Director of the Economic Development Department, will discuss the Substantial Amendments to the FY 2020-2024 Consolidated Plan and the FY 2020 Annual Action Plan to address the new funding from the CARES Act. *Presentation is attached below.*

CPAB Comments/Questions:

- Mr. Thesing asked if the appropriate appraisals have been completed on the properties. Mr. Pavko responded that appraisals have been completed for both properties and both are being purchased at below their value price. Mr. Thesing enquired if the properties are following the appropriate zoning regulations. Mr. Pavko responded that the Sand Diego Housing Commission has hired a third-party consultant and the properties align into the appropriate zoning for the area. Mr. Thesing also asked if all appropriate research has been completed and Mr. Pavko stated that since the buildings are less than 5 years old, all the research and

evaluations have been completed. Ms. Jones also stated that the property managers and service providers have experience in supportive programs such as these.

- Mr. Patrick Batten asked if the hotels are currently active and what renovations will need to be completed. Mr. Pavko stated units are ready to go with some minor changes since most of the units have full kitchens and bathrooms. A consideration is that because of CARES Act funding needs to be allocated by end of December 2020, the project is tentatively scheduled to be ready for services by the end of the year. Mr. Batten asked about the surrounding areas and if there would be any concerns from the community on the surrounding area. Mr. Pavko stated that most of the surrounding area are other hotels and most of the concerns raised have been from the Hotel companies. Mr. Batten asked if security is being provided by PATH and Father Joe's Villages and Ms. Jones stated that 24 hours security will be provided the property management.
- Ms. Berns asked if a CUP or NUP required and Mr. Pavko stated that the zoning allows for the visitor accommodation. Ms. Bibler stated the importance of getting this information out to the community and the CPAB is one of the methods in letting the community know.
- Mr. Dennehy asked what other types of community outreach was completed and Ms. Bibler stated that the item was presented to the Housing Board, the CPAB meeting, City Council Committee and then finally full the full City Council.

Mr. Batten made the motion to approve the actions listed on slide 12 of the presentation. Mr. Thesing seconded the motion. The motion passed unanimously, 7-0.

6.d: FY 2022 Scoring Criteria

Mr. Alarcon gave a brief presentation on the recommendations from the Ad Hocs for the FY 2022 Scoring Criteria. *Presentation is attached below.*

CPAB Comments/Questions:

- Dr. Brenda Campbell asked about the Geographic Targeting section, where applicants are awarded points on their location and their targeted services. Dr. Campbell recommended revisiting this section in the future to ensure the areas of highest need have an opportunity for applying for funding. Mr. Alarcon stated that the Geographic Targeting Initiative will be reexamined if the community planning areas need to be reclassified.
- Ms. Berns stated it is difficult for organizations not located in these areas to compete for funding when the scoring is extremely close. Ms. Gonzales agreed with Ms. Berns with the allocation of points but should not be the deciding factor when awarding funding.

Ms. Berns made the motion to approve the revisions to the FY 2022 Scoring Criteria. Ms. Gonzales seconded the motion. The motion passed unanimously, 7-0.

| |
|------------------------|
| Discussion Item |
|------------------------|

7.a: FY 2022 Notice of Funding Availability (NOFA) & CARES Act Timeline

Ms. Marano gave an update on the timelines for the FY 2022 NOFA for the FY 2022 CDBG funding and the CARES Act funding. *Presentation is attached below.*

Adjournment

Ms. Dennehy adjourned the meeting at 11:50 a.m.

DRAFT



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC)
Permanent Housing Acquisition
Project Overview
October 01, 2020





Operation Shelter to Home Overview

- Launched April 1, 2020, at the San Diego Convention Center in response to the COVID-19 pandemic.
- Up to 1,495 shelter beds available to persons experiencing unsheltered homelessness.
- Street outreach activities occurred via a coordinated intake process to fill shelter beds and provide a safe and sanitary environment amid the pandemic.
- Services offered at the Convention Center include 24-hour security, meals, showers, bathrooms, laundry services, case management and housing navigation.
- Exit strategies include client placement into permanent and longer-term housing or other appropriate housing solutions.





Residence Inn Property Acquisitions COVID-19 and Need for Permanent Housing with Supportive Services

- The City-declared shelter crisis remains in effect.
- Operation Shelter to Home launched on April 1, 2020:
 - City’s collaborative response to mitigating the impacts of COVID-19 on persons experiencing homelessness.
 - Hundreds of those experiencing homelessness in the City temporarily moved to the Convention Center.
 - Many of those currently residing in the Convention Center are identified as needing long-term Permanent Housing with supportive services.
- The City of San Diego Community Action Plan on Homelessness:
 - Identified the need for 2,659 PH units in the next 10 years.
 - 60 percent (1,595 PH units) needed within the first four years.



Residence Inn Property Acquisitions

Identifying Properties

- SDHC worked with a real estate broker to identify multiple potential hotel sites and initiated extensive due diligence activities.
- SDHC's review of 29 properties resulted in the selection of two presented today for consideration:
 - Residence Inn Hotel Circle – 1865 Hotel Circle South, San Diego CA, 92108
 - 190 affordable units and two managers' units
 - \$67,000,000 purchase price
 - Residence Inn Kearny Mesa – 5400 Kearny Mesa Road, San Diego, CA 92111
 - 142 affordable units and two managers' units
 - \$39,500,000 purchase price



Residence Inn Property Acquisitions Advantages

- Both Residence Inn properties:
 - Advance objectives of the Community Action Plan
 - Creates new affordable housing by utilizing existing resources
 - Are close to public transit and access to resources and social services
 - Have ample community space such as laundry, clubhouse, barbecue areas, congregate-eating areas, green space
 - Have ample offices and conference rooms usable for providing supportive services and activities
 - Require minimal upfront capital upgrades, allowing for immediate occupancy

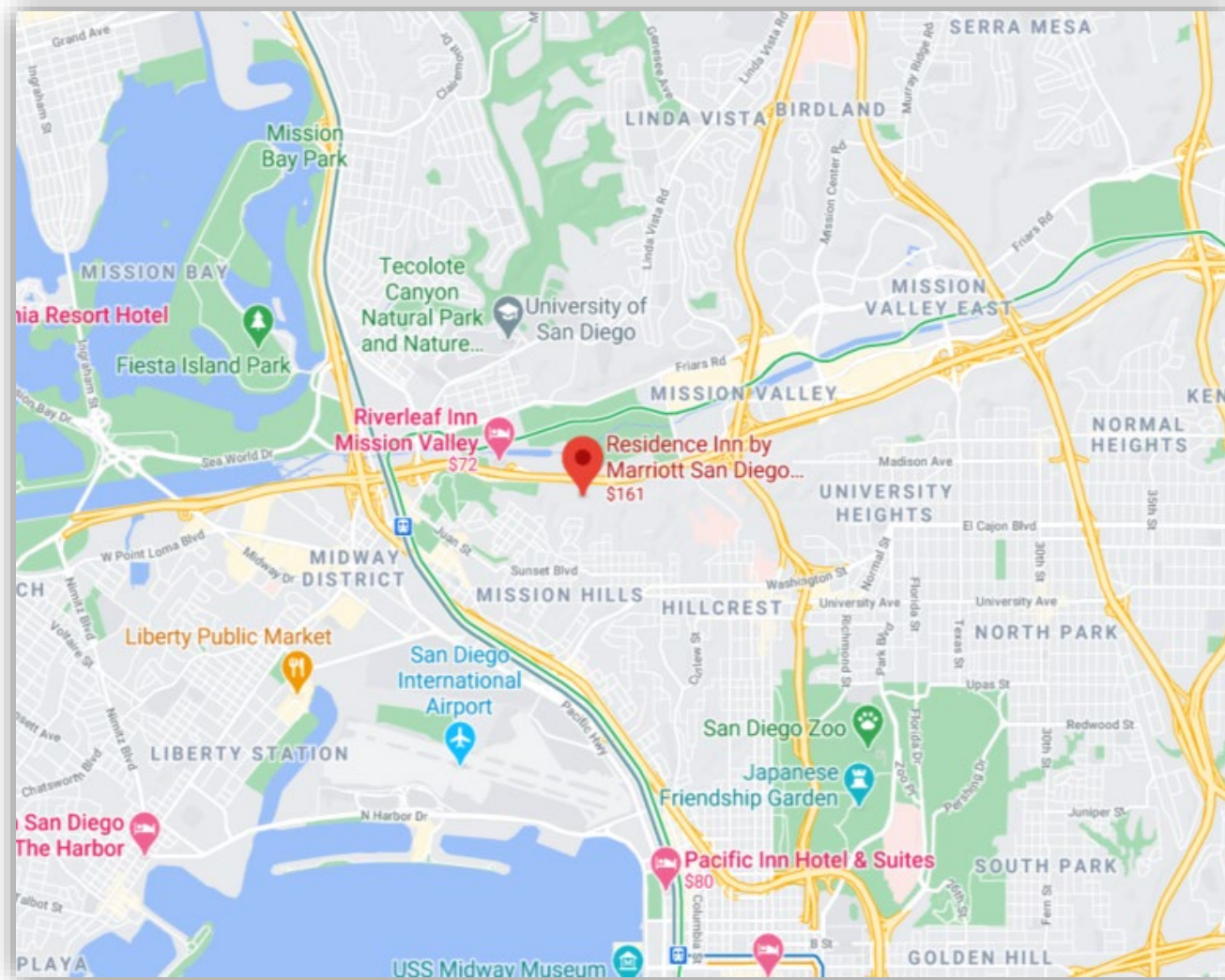




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Residence Inn Property Acquisitions

Site #1 – 1865 Hotel Circle South



Residence Inn Property Acquisitions

Hotel Circle – Funding Sources

| | |
|--|---------------------|
| State Homekey Funds | \$27,700,000 |
| Permanent Loan (Chase) | \$32,840,399 |
| FY 2020 Community Development Block Grant (CDBG) | \$10,000,000 |
| SDHC Moving to Work | \$ 928,174 |
| Deferred Developer Fee | \$ 3,500,000 |
| TOTAL | \$74,968,573 |



Residence Inn Property Acquisitions

Hotel Circle - Site Photos



Residence Inn Property Acquisitions

Hotel Circle - Site Photos



Residence Inn Property Acquisitions

Hotel Circle - Site Photos



Residence Inn Property Acquisitions

Hotel Circle - Site Photos

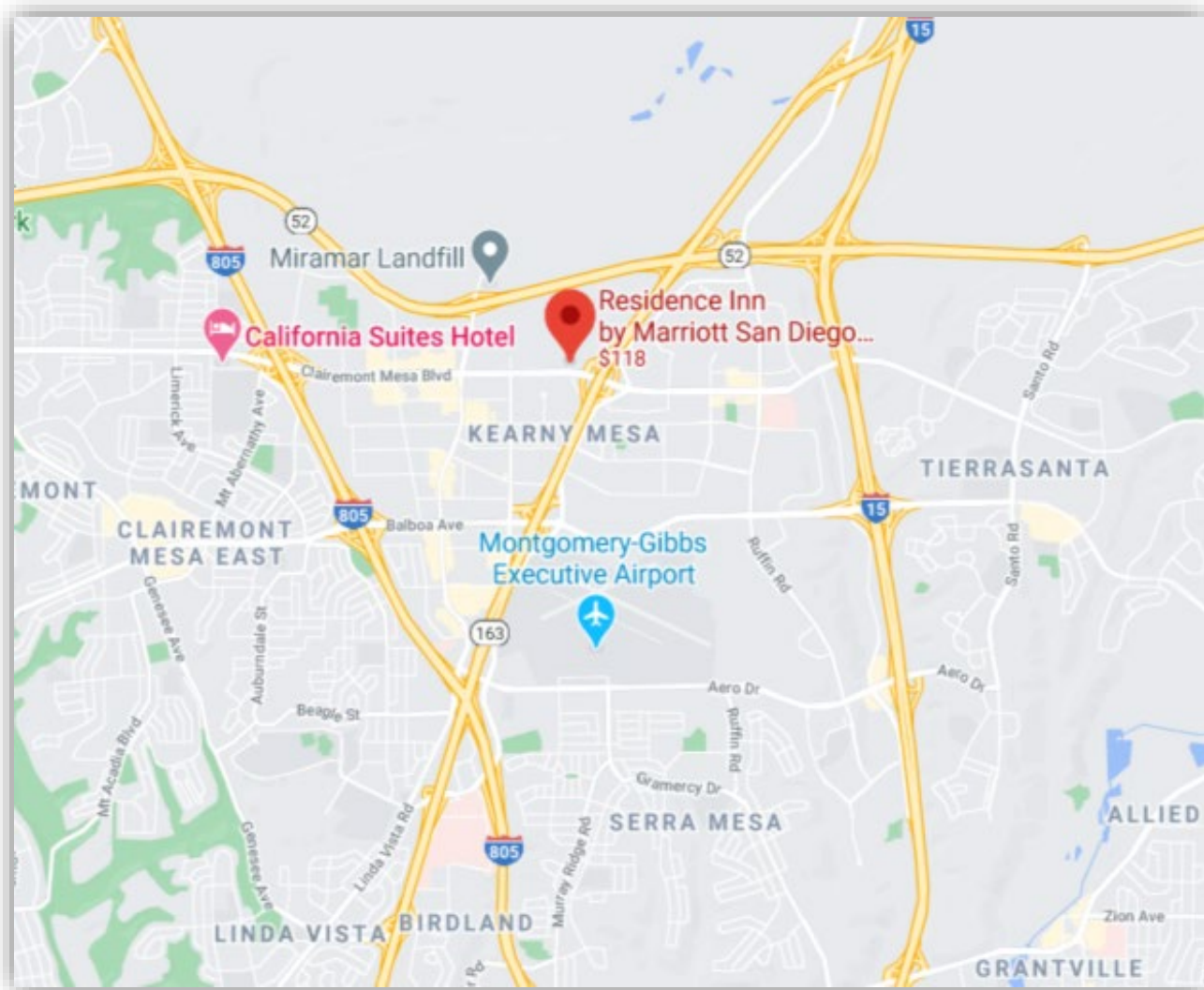




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Residence Inn Property Acquisitions

Site #2 – 5400 Kearny Mesa Road



Residence Inn Property Acquisitions Kearny Mesa – Funding Sources

| | |
|------------------------|---------------------|
| State Homekey Funds | \$10,000,000 |
| Permanent Loan (Chase) | \$17,425,852 |
| City CARES Act Funds | \$10,000,000 |
| SDHC Moving to Work | \$ 6,594,517 |
| Deferred Developer Fee | \$ 2,469,310 |
| TOTAL | \$46,489,679 |



Residence Inn Property Acquisitions Kearny Mesa - Site Photos



Residence Inn Property Acquisitions Site Photos



Residence Inn Property Acquisitions Site Photos



Residence Inn Property Acquisitions Site Photos



Residence Inn Supportive Housing Service Model

- Long-term housing solution with voluntary, wraparound supportive services combining case management and services with rental subsidies.
- Operated according to the Housing First model.
- Uses national best practices such as trauma-informed care, motivational interviewing, and a harm reduction model to ensure a client-centered approach to rendering services.
- The program design serves the target population in a welcoming, solutions-focused environment while ensuring housing stability.



Residence Inn Supportive Housing Service Model

- Services within Supportive Housing programs include:
 - Case Management
 - Mental Health Services
 - Substance Use Disorder Services
 - Healthcare Services
 - Life Skills
 - Education Services
 - Employment Services
- Referrals through the Coordinated Entry System to ensure the housing intervention is appropriate to the needs of the client.



Supportive Services and Management Funding

People Assisting the Homeless

| FUNDING SOURCE | Year 1 |
|---|--------------------|
| Emergency Solutions Grant and Homeless Emergency Aid Program (HEAP) | \$1,318,382 |
| Property Operating Income | \$1,474,724 |
| Total | \$2,793,106 |

Father Joe's Village

| FUNDING SOURCE | Year 1 |
|---|--------------------|
| Emergency Solutions Grant and Homeless Emergency Aid Program (HEAP) | \$900,212 |
| Property Operating Income | \$1,188,796 |
| Total | \$2,089,008 |



Operation Shelter to Home Exit Strategies

Exit Strategy Progress

Housed as of September 8: **611**

Matched In-Progress towards housing: Over **250**

Hotel Permanent Housing Initiative a Key Component of OSTH Exit Strategies

Hotel PH will House: Approx. **400 persons in 332 units**

Total Anticipated Housed April - December 2020: **1,261**



Questions and Comments



Economic Development

Allocation of CARES Act Emergency Solutions
Grant-Round 2 (ESG-CV2) and Community
Development Block Grant-Round 3(CDBG-CV3; and
Associated Actions

Consolidated Plan Advisory Board
October 1, 2020

Requested Actions

The CPAB is asked to recommend Council approval of the following:

- Accept and expend federal ESG-CV2 funds in the amount of \$22,796,116, as recommended by staff
- Accept and expend federal CDBG-CV3 funds in the amount of \$12,210,017, as recommended by staff
- Amend the Consolidated Plan and FY 2020 Annual Action Plans to included approved allocations
- Approve the 1st Amendment to the CDBG Affordable Housing Revolving Loan Fund MOU

Background | Framework for Requested Actions

CARES Act

- Additional Allocations to HUD Grant Programs
- General Coronavirus Relief Funds to the City

Additional HUD CARES Act Allocations

- \$12.2M CBDG-CV3 (Round 3)
- \$22.8M ESG-CV2 (Round 2)

Project Considerations

- Prepare for / Prevent / Respond to COVID-19 Emergency
- Avoid Duplication of Benefits





Proposed CARES Act CDBG-CV3 and ESG-CV2 Activities

| CDBG-CV3 Activities | Amount |
|--|---------------------|
| Operation Shelter to Home | \$4,765,000 |
| Rental Assistance | \$5,000,000 |
| Administration and Planning | \$2,442,003 |
| TOTAL | \$12,207,003 |
| ESG-CV2 Activities | Amount |
| Expansion of Golden Hall Shelter Operations | \$2,210,461 |
| COVID-19 Compliance Staff at Bridge Shelters | \$392,705 |
| Operations of Pre-Existing Shelters | \$14,360,562 |
| Administration and Planning | \$2,279,611 |
| TOTAL | \$19,243,339 |



CDBG-CV3 Activities

- Operation Shelter to Home
 - Launched April 1, 2020 at the San Diego Convention Center
 - Physical distancing and mitigates spread of COVID-19
 - 4,000 intakes and 639 individuals placed in housing
 - Funds operations | October 15 – December 15, 2020
 - Contributions from RTFH and SDHC will reduce CDBG accordingly
- Rental Assistance

ESG-CV2 Activities

- ESG-CV2 used to prevent, prepare for and respond to COVID-19
- Immediate operational needs of emergency shelter program
- Allows City to apply other funds to post-pandemic shelter services
- Results in extended duration of programs and increase in number of people served



Administration | CDBG-CV3 and ESG-CV2

- CARES Act funds subject to review and monitoring
- Annual HUD reporting
- Quarterly CARES Act reporting



Proposed Property Acquisition | ESG-CV Activities

| Permanent Housing with Supportive Services (Hotels) | Amount |
|---|---------------------|
| FY 2020 CDBG Affordable Housing Revolving Loan Fund | \$10,000,000 |
| CARES Act Coronavirus Relief Funds (CRF) | \$10,000,000 |
| TOTAL | \$20,000,000 |
| ESG-CV Activities | Amount |
| COVID-19 Compliance Staff at Bridge Shelters | \$1,107,296 |
| Father Joe’s Villages (Shelter) | \$912,611 |
| Permanent Housing with Supportive Services (Operations) | \$1,218,594 |
| TOTAL | \$3,238,501 |



Permanent Housing with Supportive Services

- Acquisition of two hotels to provide permanent housing
 - Assist those temporarily housed at the Convention Center
- State Department of Housing and Community Development
 - Homekey Award | \$27,700,000 for the Hotel Circle Property
 - Homekey Reservation | \$10,000,000 for the Kearney Mesa property
- FY 2020 CDBG Affordable Housing Revolving Loan Fund | Amendment
- CARES Act Coronavirus Relief Fund | Agreement



ESG-CV Activities

- Approved for Housing Recovery Programs in May 2020
- Alternative funding sources identified
- Recommended use
 - COVID Compliance Staff at Shelters
 - Elevated service levels to aid transition from congregate shelters to permanent housing



Substantial Amendments | FY 2020 Annual Action Plan and Consolidated Plan

- Incorporates CBDG-CV2 and ESG-CV3 funds
- Includes eligible activities in response to COVID-19
- Updates Anticipated Resources, Goals and Objectives
- 5-day public comment period
- Submittal to HUD

Requested Actions

The CPAB is asked to recommend Council approval of the following:

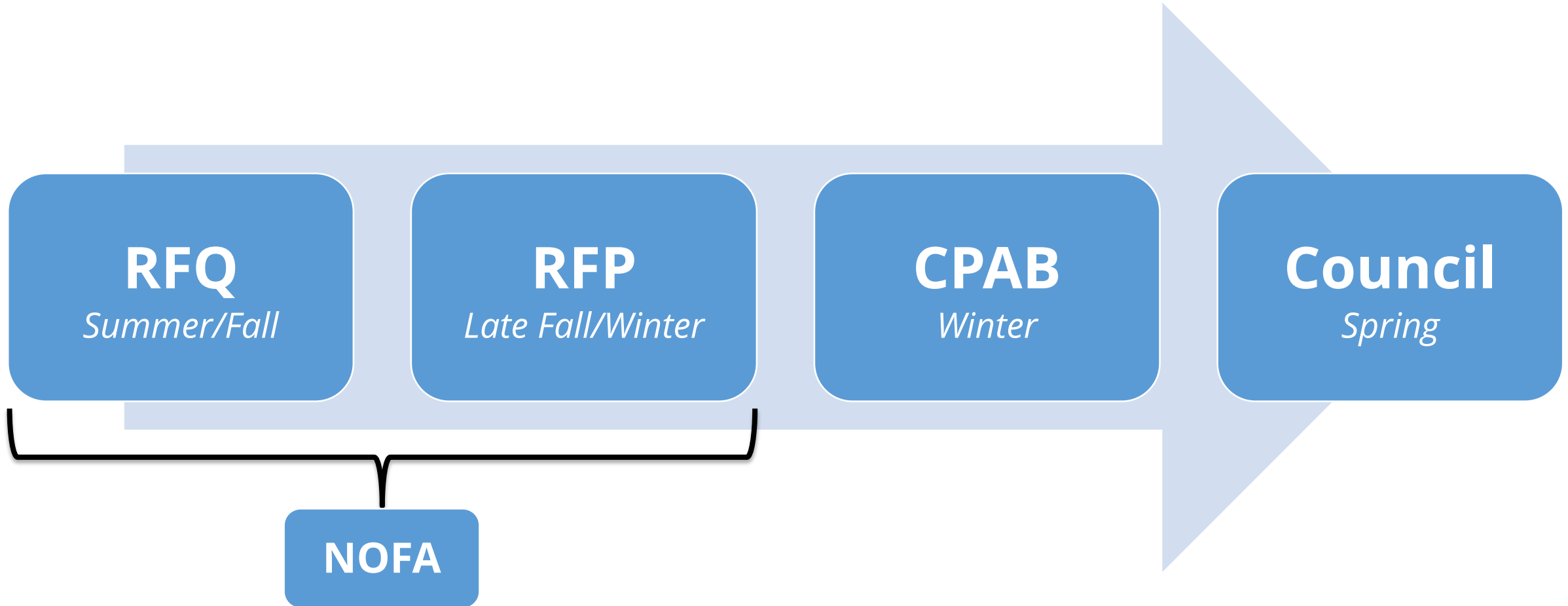
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Economic Development Department

*FY 2022 CDBG and CARES Act Public Service
Notice of Funding Availability*

Consolidated Plan Advisory Board
October 1, 2020

Annual NOFA Sequence



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| NOFA Title | City Department | NOFA Publish Date | ↑ RFP/Application Deadline(PT) | Actions |
|------------|-----------------|-------------------|--------------------------------|---------|
|------------|-----------------|-------------------|--------------------------------|---------|

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- *Resources: How to Register an Organization*
- *Resources: How to Submit an RFQ Response*

Two-Phase Process: Part 1



Is the applicant organization ready to contract with the City of San Diego?

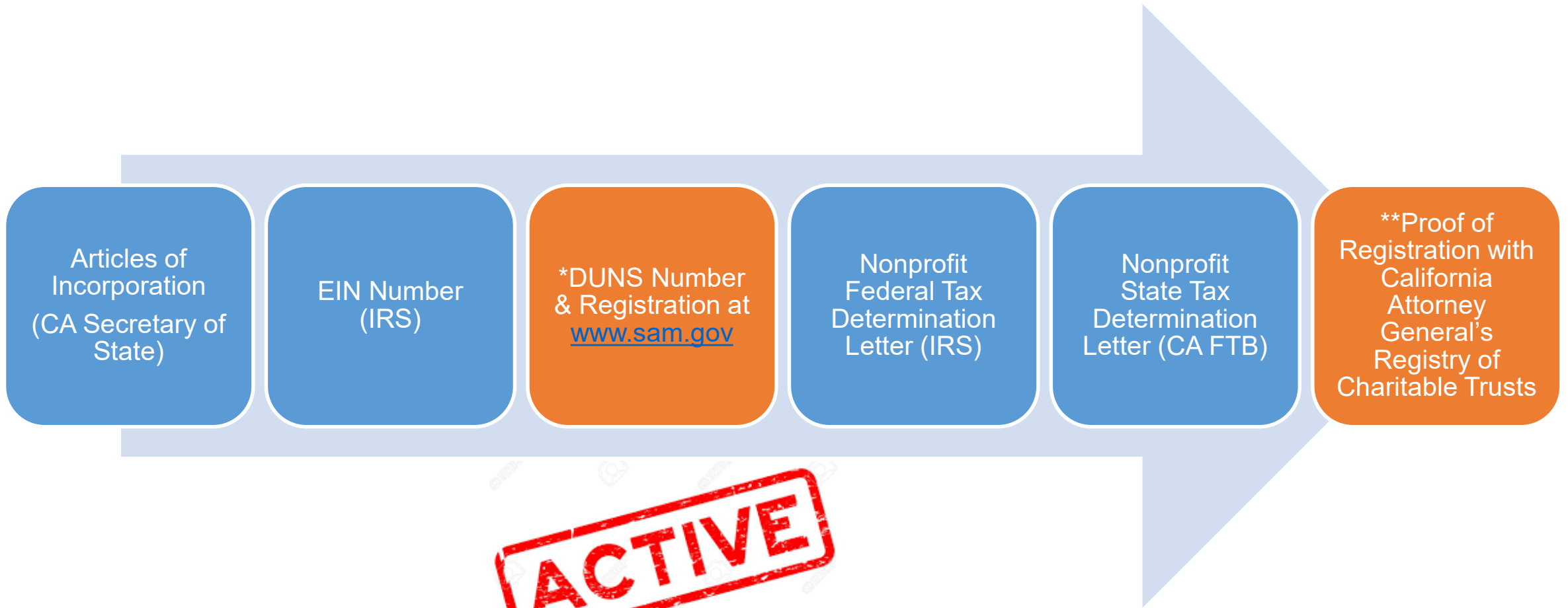
What program or service is the applicant organization proposing during the contract period?

RFQ: Required Financial Documents

- Board-approved **Audited Financial Statements** for the latest fiscal year that ended



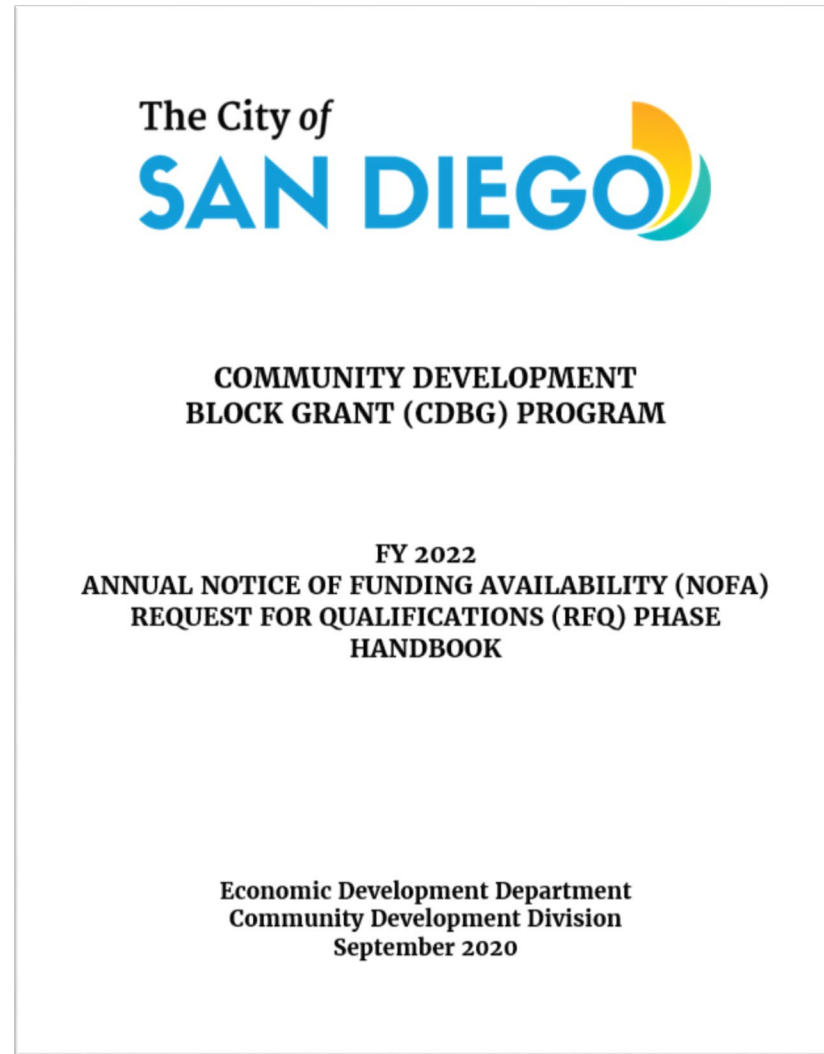
RFQ: Registration and Status Requirements



*CDBG Grants

**501(C)(3) Organizations

RFQ: Handbook



Two-Phase Process: Part 2



Once an applicant is “qualified” during the RFQ phase...

...it is eligible to submit project-specific proposals during the RFP phase.

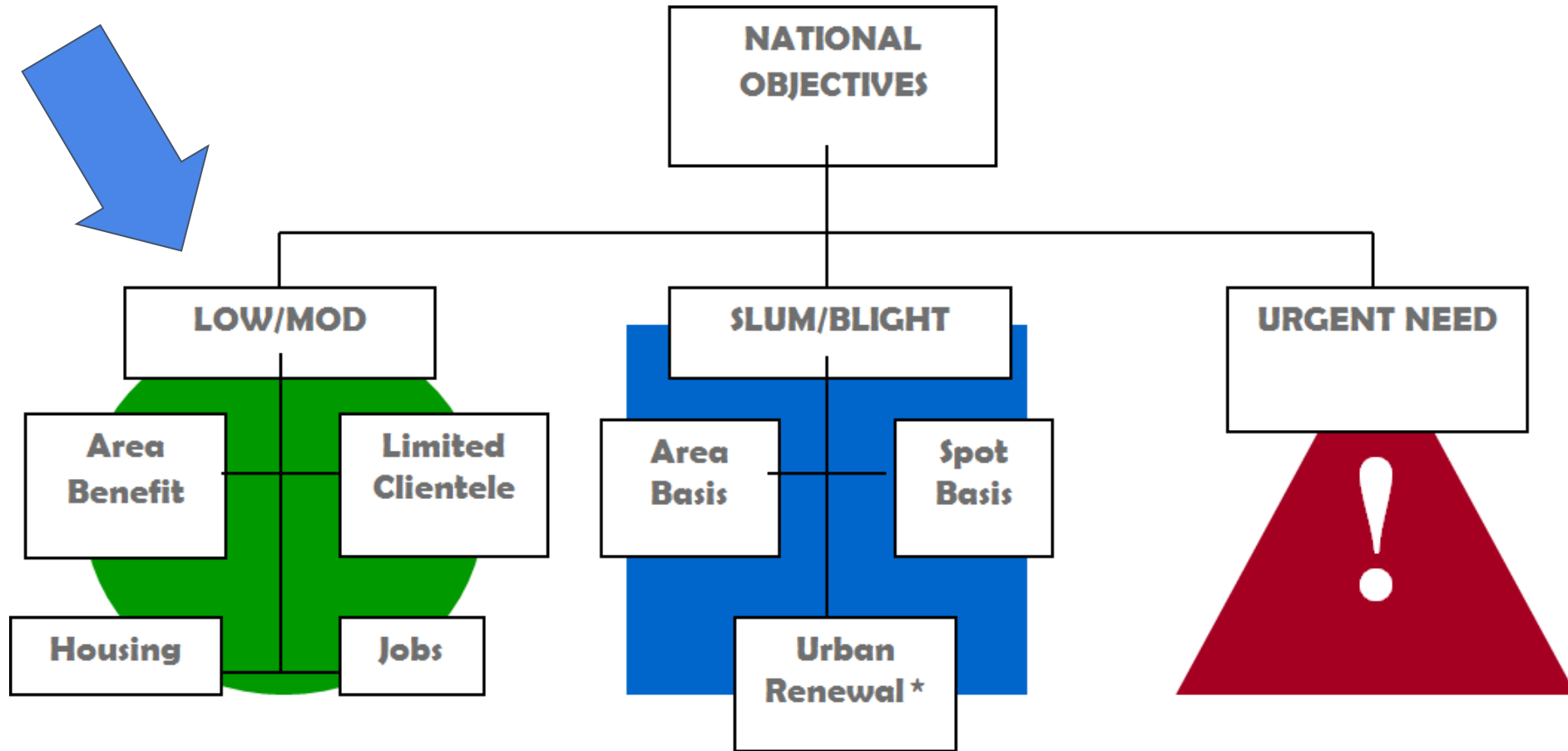
CDBG | Community Development Block Grants

Primary Objective:

Improve living environment, expand economic opportunities, and provide decent housing for low- and moderate-income residents and areas.



CDBG: Eligibility



Consolidated Plan Goals

The City's Consolidated Plan informs HUD and the community how the City plans to invest its CDBG funds over the course of five years. Currently, it identifies seven (7) GOALS in which CDBG funds may be invested.

GOAL 1: Increase and preserve **affordable rental and homeowner housing** to improve access to **housing** opportunities that reflect community needs, including, but not limited to, opportunities in close proximity to transit, employment, and community services.

GOAL 2: Enhance the City's economic stability by investing in inclusive economic growth initiatives that develop and strengthen **small businesses and support local entrepreneurs**.

GOAL 3: Foster individual and household resiliency by **investing in employment and workforce development** programs and improving access to job opportunities.

Consolidated Plan Goals

GOAL 4: Support the development of vibrant, equitable, and adaptable neighborhoods by investing in **public facilities and critical infrastructure**.

GOAL 5: **Assist individuals and families to gain stable housing after experiencing homelessness or a housing crisis** by providing appropriate housing and service solutions grounded in best practices.

GOAL 6: **Invest in community services that promote equity and serve vulnerable populations** including, but not limited to, refugees and recent immigrants, previously incarcerated, veterans, youth, seniors, and food insecure households.

GOAL 7: Finance **impactful nonprofit facility improvements** to provide new or increased access to programs that serve vulnerable populations or implement sustainability measures.



Upcoming Funding Opportunities

Community Development Block Grants and CARES Act



Public Services

Minimum Allocation

\$50,000

Eligible Activities

- Employment training
- Senior services*
- Health Services
- Homeless services
- Disability services*
- Domestic violence services
- Tenant/landlord counseling
- Substance abuse services
- Mental health services
- Housing counseling
- Food banks/meal distribution
- Youth services

Outcome Measure

Low/moderate-income clientele

Requirements

Prequalify clients prior to providing service; document income eligibility and demographic data in case files

**Presumed LMI possible*

Community/Economic Development

Minimum Allocation

- **\$50,000** for microenterprise technical assistance

Eligible Activities

- Microenterprise technical assistance

Outcome Measures

- Low/moderate-income clientele
- Businesses established or expanded

Requirements

One-one-one technical assistance must lead to new or expanded microenterprises; prequalify clients prior to providing service; document income eligibility and demographic data

Nonprofit CIP: Public Facilities & Multifamily Housing

| | |
|----------------------------|---|
| Minimum Allocation | \$100,000 |
| Eligible Activities | <ul style="list-style-type: none"> • New construction or rehab of public facilities <ul style="list-style-type: none"> ➤ ADA improvements ➤ Health/safety hazards • Multi-unit residential rehab <ul style="list-style-type: none"> ➤ Rental housing ➤ Non-sustainability scope <p>Examples: Senior and youth centers; homeless facilities; neighborhood facilities; health facilities; child care centers; handicapped centers</p> |
| Outcome Measures | <ul style="list-style-type: none"> • Low/moderate-income clientele • Low/moderate-income households • Low/moderate-income area (if primarily residential and benefitting all residents) |
| Requirements | Facilities improved must be documented as serving LMI clients at least 51 percent of the time; housing units rehabilitated must be restricted 100 percent to LMI households; complete project within two years |

Addressing Impacts of COVID-19 | CARES Act

Additional Public Service Funds

- \$1.4M CBDG (FY 2021)
- \$2.1M CDBG-CV (CARES Act)

Project Considerations

- Prepare for / Prevent / Respond to COVID-19 Emergency
- Defined Eligible Activities
- Avoid Duplication of Benefits

Expedited Proposal Review



CARES Act | Public Services

Prepare for, Prevent or Respond to COVID-19

Minimum Allocation

\$ 25,000

Eligible Activities

- Healthcare Services
- Senior Services*
- Childcare Services
- Educational Access / Digital Divide
- Food Banks / Meal Distribution

The City has prioritized these 5 eligible activities for the CARES Act Public Services NOFA

Outcome Measure

Low/moderate-income clientele

Requirements

Prequalify clients prior to providing service; document income eligibility and demographic data in case files

**Presumed LMI possible*

Timeline

| Date | Step |
|--------------------|---|
| 09/21/2020 | RFQ Workshop (Virtual) |
| 09/25/2020 | RFQ released via ED Grants |
| 10/02 – 10/16/2020 | Technical assistance appointments available |
| 10/23/2020 | RFQ responses due in ED Grants |
| 11/06/2020 | Organizations notified of “qualified” or “not qualified” status |
| 11/09/2020 | RFP released via ED Grants to “qualified” organizations only |
| 12/18/2020 | RFP responses due in ED Grants |
| 01/22/2021 | Notification of Results: CARES Act Grants only |
| 03/05/2021 | Notification of Scoring/Ranking: FY 2022 CDBG Grants |

Thank you!

City of San Diego
Economic Development Department

CDBG@sandiego.gov

619-236-6700

www.sandiego.gov/CDBG

Questions?