



THE CITY OF SAN DIEGO

**CONSOLIDATED PLAN ADVISORY BOARD
NOTES FOR REGULAR MEETING**

WEDNESDAY, MAY 8, 2013

SAN DIEGO CIVIC CONCOURSE
NORTH TERRACE ROOMS 207–209
202 'C' STREET
SAN DIEGO, CA 92101

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
William Moore, Council District 1, Chair Vicki Granowitz, Council District 3, Vice Chair Audie de Castro, Council District 4 Robert McNamara, Council District 6 Aaron Friberg, Council District 8	Sam Duran, Council District 5 Michael C. Morrison, Mayor’s Office

STAFF PRESENT	ATTENDANCE SHEET
Amy Gowan, Program Manager, CDBG Eliana Barreiros, Policy Coordinator, CDBG Ulysses Panganiban, Project Manager, CDBG	<ul style="list-style-type: none"> 20 people signed the attendance sheet

Call to Order

- Chair Moore called the Board meeting to order at 8:38 a.m.

Staff Announcements

- The City Council approved on April 23, 2013, the Fiscal Year 2014 Annual Action Plan for submission to the United States Department of Housing and Urban Development (HUD). The Mayor signed the resolution on May 2, 2013 (R-308120). Staff’s final schedule to submit the Annual Action Plan to HUD is May 15, 2013.
- Release of the new CDBG-eligible low- and moderate-income Census tracts by HUD based on the 2010 Census is still pending. Also still pending is notification from HUD

regarding the Fiscal Year 2014 allocations to the City for the following entitlement programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). Once staff receives this information, an e-mail will be sent out using the distribution list.

- Sam Duran, Board member representing Council District 5, is absent due to health issues and is likely to miss a few more meetings in the future. Mr. Duran notified the CDBG Program Office regarding his need for said absences in late April.
- Staff is scheduled to present an informational item to the Public Safety and Neighborhood Services Committee (PS&NS) regarding potential changes to the CDBG allocation process of the Consolidated Plan Advisory Board (CPAB). Staff will be asking PS&NS to provide additional direction to staff regarding schedule and areas to investigate for potential changes so that recommendations can be prepared for PS&NS's consideration.

Board Announcements

- None

Non-Agenda and Agenda Public Comment

- Katheryn Rhodes spoke on the following topics: Portland Loos in downtown San Diego and associated maintenance issues; redevelopment funding; downtown parking revenues; homelessness issues; job training; and greater involvement of the Regional Task Force on the Homeless (RTFH) and Regional Continuum of Care Committee (RCCC) with CPAB.
- Jane Howell, with Meals-On-Wheels Greater San Diego, commented on the CDBG application scoring process and ways to improve it, the expertise of CPAB in evaluating food service providers, and future funding priorities.
- Christina Griffith, with Senior Community Centers, commented on the CDBG application scoring process. She also spoke against the idea of precluding agencies from being allocated funds two years in a row.
- Krista Stellmacher, with Community HousingWorks, raised concerns regarding the idea of precluding agencies from being allocated funds two years in a row.

Discussion and Action Items

- Item 6a – Regular Meeting Time: The Board discussed modifying the start time of their regular meetings to better accommodate attendees. Mr. McNamara moved, and Mr. de Castro seconded, to change the start time of regular Board meetings from 8:30 a.m. to

9:00 a.m. starting in June 2013. Motion passed 5-0-0. (Aye – Moore, Granowitz, de Castro, McNamara, and Friberg; Absent – Morrison, Duran).

- Item 6b – Board Discussion Regarding City Council Meeting on March 25th 2013:
 - Mr. de Castro commented on the City Council’s criticism of the Board’s process for scoring and ranking CDBG applications. His comments included the following: the City Council criticism was inappropriate given the process was similar to the previous year when the CPAB received accolades; the Board currently has too few members, thus precluding the benefits of “score averaging” that would have been possible had there been more members; the full Board should be able to adjust the Ad Hoc Committee scores as warranted, based on the full Board discussion and public input, and not be purely mechanical in its recommendations; the Board’s conflict of interest policy is overly strict (hence making it very difficult to find eligible members and fill all the Board seats); and, the set-aside to the San Diego Housing Commission for homeless services severely limited funds and made allocation decisions more difficult. Mr. de Castro recommended increasing the number of filled Board seats as soon as possible through appointments and revising the scoring criteria to better guide the Board’s recommendations to the City Council.
 - Mr. McNamara noted that PS&NS commended the CPAB, regarding its overall scoring and ranking process, on a public meeting held on April 10, 2013. He pointed out that the 94% of the preliminary scores of the Ad Hoc Committees remained unchanged by the full Board and only the scores of four projects were changed. Such actions were consistent with the process used in the previous year. He provided explanations for the scores which were changed.
 - Ms. Granowitz offered the following comments: the same scoring and ranking process was followed this year as last year; the Ad Hoc Committee scores are preliminary and only provided as a courtesy to the public, with the final scoring and ranking determined by the full Board; eliminating the Ad Hoc Committees from the evaluation process would burden the Board and result in many and lengthy public meetings; the Council’s comments on the process lacking of integrity was unfair; the process followed by the Board was consistent with the changes required by HUD in order to stop the previous City process of allocating some CDBG funds for political purposes; and, it was very difficult to choose among many worthy projects (addressing needs of the City) given the very limited amount of money available.
 - Mr. Moore briefly commented that the unanimous approval by the Council of the Board’s recommendations on March 25, 2013, indicated that the situation was not as bad as portrayed.

- Item 6c – Formulation of Report to be Presented to Public Safety and Neighborhood Services Committee Regarding FY2015 CDBG Grant Process:
 - Mr. de Castro provided the following recommendations to improve the Board’s scoring and ranking process: fill all the Board seats; loosen the conflict of interest requirements and, in lieu, allow Board members to recuse themselves from scoring certain applications; applicants may need to be interviewed by the Board to better evaluate them; and, the application form and point scoring system need to be further improved.
 - Ms. Granowitz provided the following comments: the Council should establish a cap on the amount of funds any one agency can apply for; the Council needs to examine projects that result in indirect phased funding (over two or more funding cycles); there should be a “cooling off” period for potential Board appointees who have served other agencies/organizations (applicants of CDBG funds) before they can officially serve on the Board; the City’s goals need to be updated and prioritized to eliminate redundancy; further discussion is needed on whether to prioritize job training and/or economic development; more coordination among like agencies is needed to reduce costs; the Council needs to provide direction on how to ensure a more equitable geographical distribution of funds that targets low/moderate-income areas; the “Auditing Control” section of the application should be evaluated by staff only; more capacity building is needed to assist organizations who have meritorious projects but have trouble preparing a competitive application; the Council should give clear direction on how to break ties; and, there needs to be further training and technical assistance provided to Board members so they can better evaluate applications and the budgets of proposed projects.
 - Mr. McNamara provided the following comments: the potentially increasing amount of capital improvement project (CIP) applications for Fiscal Year 2015 from City departments calls for explicit direction to the Board from the City Council; lead abatement activities and programs should be funded by the City’s General Fund (beginning on Fiscal Year 2015) and should be coordinated with similar programs administered by the San Diego Housing Commission; the full Board needs to be filled so that there are no vacant seats; and, the Ad Hoc Committee’s scoring process should be more transparent and open to the public.
 - Mr. Friberg shared the following comments: the Board’s conflict of interest policy should not be loosened in order to facility recruitment of members; the Council needs to fill the Board vacancies; there should be an official “cooling off” period from previous agency employment/service for potential Board appointees; the Ad Hoc Committee scoring system eases the burden of evaluation and saves time; the Council priorities need to be made more clear to better guide the Board’s actions and recommendations for funding; staff only (rather than the CPAB) should evaluate the “Auditing Control” section of the

CDBG application; and, the Council should provide guidance on how to break ties.

- Mr. Moore provided the following comments: CDBG funds are not intended to be part of the baseline of an agency's budget; perhaps there should be a restriction on agencies receiving CDBG funding two years in a row; the Board should prioritize goals or set allocate specific amounts of funds to specific goals; technical criteria should be removed from the CDBG application and from CPAB scoring (defer to CDBP Program staff regarding basic eligibility and HUD standards); a fully appointed Board is needed; and, there needs to be a Board handbook and additional scoring and ranking policies (with necessary training and guidance by staff).
- After some discussion, Mr. Moore with Board consensus compiled the following list of recommendations to PS&NS:
 - Appoint a full Board as soon as possible;
 - Remove the technical aspects of the CDBG application from Board review and leave them to staff only;
 - Keep the Ad Hoc Committee system in place to score and rank applications;
 - Provide orientation for new Board members;
 - Provide guidance on funding allocation among city departments/agencies and non-profit organizations; and
 - Provide capacity building and technical assistance to applicants.
- Item 6d – Review Draft Attendance Policy:
 - A draft attendance policy was provided to the Board members for their review and comment (and possible action) at the next meeting.
- Next Meeting:
 - Potential agenda items include: revisions to the CDBG application and receiving a staff report on the status of the development of the FY 2015–2019 Consolidated Plan.

Adjournment

- Meeting adjourned 10:20 a.m.

May 4, 2013, first Saturday of the month. Revised.

Dear Mayor Filner:

Subject: PORTLAND LOOS AND TEMPORARY PORTABLE TOILET FUNDING THROUGH THE DOWNTOWN COMMUNITY PARKING DISTRICT (DCPD).

At the City Council hearing approving two Portland Loo restrooms, Civic San Diego stated a portion of the \$15,900,115 in hoarded revenue Reserves from the Downtown Community Parking District (DCPD) would be used to pay the annual \$21,000 for ongoing restroom maintenance which includes cleaning of the Loos by the Downtown San Diego Partnership (DSDP), water and sewer fees, and bi-monthly utility bills for the City Enterprise funds. The majority of DCPD assets (\$14,100,115) were financed through Redevelopment Agency (RDA) Tax Increment (TI), with the exception of \$1.8 million in Grants to the DCPD from SANDAG.

Due to the end of Redevelopment, the \$15.9 million in DCPD Cash Reserve funds siting in the bank are currently frozen by the State Department of Finance (DOF) until Civic San Diego issues their Non-Housing Due Diligence Review (DDR) report mid-summer, and the subsequent Finding of Completion by the DOF which is expected a few months later. All @ \$400 million in Cash, Reserves, and Bond Proceeds, including the DCPD Cash Reserves, will then be unfrozen by the DOF and can be used to repay our proposed short term Cash flow Loans from the City's General Fund after approval as an enforceable obligation on an Amended ROPS-4. We are recommending the DCPD seek a loan from the City's General Fund, with a request that the loan be repaid to the City during a subsequent ROPS period.

It is unknown if the \$1.8 million in SANDAG grants are frozen by the DOF, or if the funds siting in the bank can be used for downtown restroom maintenance after ministerial approval on the use of Grants from SANDAG staff. We recommend the Mayor's office contact SANDAG for advice.

With approval from the Oversight Board, Health and Safety Code Section 34173(h) allows funds being frozen by the DOF in Successor Agency Reserves, such as the \$15.9 million in DCPD Cash and Reserves, to be used as collateral to payback new short term loans for the Successor Agency.

A Cash Flow analysis would show that there is \$15.9 million in DCPD Cash and Reserves that are frozen in the bank until fall 2013 that can only be used in downtown for public civic purposes. In their ROPS 4 budget, Civic San Diego is asking the City's General Fund to advance them a similar \$5+ million loan for unfunded Administration costs.

HSC Section 34173 "(h) The city, county, or city and county that authorized the creation of a redevelopment agency may loan or grant funds to a successor agency for administrative costs, enforceable obligations, or project-related expenses at the city's discretion, but the receipt and use of these funds shall be reflected on the Recognized Obligation Payment Schedule or the administrative budget and therefore are subject to the oversight and approval of the oversight board. An enforceable obligation shall be deemed to be created for the repayment of those loans."

Parking Districts, like our Downtown Community Parking District (DCPD), are created through the State's Streets and Highway Code. There is speculation by Civic San Diego and Council President Todd Gloria of downtown's District 3 that Parking District funds are "*Illegal*" to use for ongoing maintenance costs for the Portland Loos and/or for rental of several temporary portable toilets, previously funded by Waterman David Ross. The downtown line is that Parking District funds can only be used for parking, or projects that eliminate parking problems.

Instead of relying on City Attorney Goldsmith's legal determination on allowable uses of Parking District revenue, we recommend the Mayor's office contact State Attorney General Kamala Harris and/or State Controller John Chiang and confirm that Parking District Revenue currently frozen, can be used to maintain public restrooms on our local streets, and pay for any additional maintenance costs of temporary portable toilets located at the City-owned Tailgate Park leased to the Padres, LP, a Delaware Limited Partnership.

The Padres currently lock the temporary Portable restrooms rented by the Padres on Tailgate Park on non-baseball game days. With reliable long-term City funding, the temporary portable restrooms can be opened year round on Tailgate Park. After installation the City will analyze the Portland Loos design as a Pilot Project. If widely used and appreciated, the Portland Loos could be used City-wide. Including Sports Recreation Centers, Neighborhood Parks, and everywhere San Diegans assemble to enjoy Naturally Beautiful San Diego.

The general public, tourists, and visitors worldwide expect public toilets in civilized society. San Diego is a third world country as it related to urban storm water runoff including human waste polluting our natural waterways, streets, and gutters, especially downtown. Cutting down on human waste emptying into our beaches, bays, and watershed, would reduce the City General Fund subsidy to the Storm Drain Enterprise Fund.

The largest Economic Development project the City can make to increase the General Fund Revenues for Police, Fire, Libraries, and Sports Recreation Center, is solving our Storm Drain problems by keeping San Diego's streets clean, healthy, and safe.

The Revenue Review and Economic Competitiveness report "*Starting a New Path for Success*" dated December 1, 2010 recommends new ideas for Environmental Services such as of storm water capture plans and storm water abatement. Top regional Competitiveness Priorities include:

"Significantly improving storm water runoff programs to protect and improve water quality in bays and at beaches to achieve or exceed State and Federal water quality standards and goals. Encourage the City's eight members of the County Water Authority to vigorously support regional water supply solutions including desalination, storage and indirect potable reuse... In July 2010, the State Water Quality Control Board (RWQCB) adopted a list of 1,700 waters failing to meet federal "Fishable, Swimmable, Drinkable" standards – 15 percent are in San Diego County. The largest source of this pollution is urban runoff: grease, oils, copper, pesticides/herbicides, pet waste, and litter." The report states that annually the City of San Diego subsidizes Storm Water Fees using \$31.2 million from the General Fund. *"Depending on what environmental mandates the City must ultimately meet from Federal and State regulators, future costs may become more than \$50 million per year."*

Parking District revenue can be used for Portland Loos maintenance and temporary portable toilet rentals, similar to how Civic San Diego has already budgeted DCPD funding for non-parking projects such as extra Administration, Bike corrals, pedestrian improvements, street lights, park improvements, litter receptacles, ADA pedestrian audible signs, newspaper corrals, and landscaping. As shown in the attached FY-2014 budget for our Civic San Diego-managed downtown Parking District.

To install the Portland Loos for the Successor Agency, Civic San Diego has budgeted \$61,500 for a Civil Engineer to push the project through the City's Permitting process. I am offering my services as a Civil Engineer for free in order to understand the permitting and bidding process, so the City of San Diego can save \$61,500 on subsequent Portland Loos permits. Plus hopefully lower the current permitting costs by transferring budgeted work for the Portland Loos to a civic Volunteer. The Voter approved Managed Competition allows for the Strong Mayor to receive costs estimates, and ministerially pick the lowest costs, including the use of Volunteer professional services, without approval by the City Council. Since Civic San Diego is not part of a City Employee union, meet and confer negotiations are not required. Under the Strong Mayor Form of Government, Mayor Filner is the Chief Executive Officer (CEO) of our Successor Agency, and has authority over the public agency.

In the spirit of cooperation, the same business groups advocating for a San Diego – Tijuana Olympic Games in 2024, and the San Diego Regional Chamber of Commerce should be asked to support the Mayor's just civic bi-partisan Agenda of a clean, healthy, and safe environment for all.

Interim Chief Operating Officer (COO) Scott Chadwick spoke at a City Council hearing and stated that various City departments will be analyzing issues related to Homeless solutions, which should include public restrooms and maintenance. We would like to present evidence that Homeless Emergency Shelters are allowed, ministerially by right, without Condition Use Permits (CUP), Official Notices, or City Council hearings and approval, in areas pre-identified in Figures 1 and 2 of the Housing Element of the City of San Diego's General Plan.

Pre-approved areas for Emergency Homeless Shelters include zoning for the Neil Good Day Center, and the soon to be closed Central library downtown on E Street. Both these properties can be turned into year-round Homeless Shelters with ministerial Mayoral approval after all legal and environmental issues (such as asbestos) are resolved, and operational funding is found.

Though lobbying efforts by Assembly Member Toni Atkins, on December 27, 2012, the State Department of Finance (DOF) issued a Revised Recognized Obligation Payment Schedule (ROPS) determination letter to supersede the DOF's October 19, 2012 letter that denied ROPS Line Item No. 180 – Ninth and Broadway in the amount of \$20.2 million using bond proceeds. Through lobbying efforts, the DOF no longer objected to the Line Item for Affordable Housing.

"We continue to maintain that these events did not transpire according to the DDA; therefore, the original agreement is unenforceable... Therefore, this item is not an enforceable obligation. However we do note that assuming the excess bond proceeds requested for use were issued prior to January 1, 2011, and once the Agency receives a Finding of Completion from Finance, the Agency will be allowed to expend the bond proceeds on the purposes for which they were issued on future ROPS per HSC Section 34191.4(c)..."

On July 30, 2012, the successor housing entity notified the Agency of designations and commitments of housing bond proceeds and requested the items be listed separately on the ROPS-III. The following required conditions are met; therefore, this item is now considered an enforceable obligation."

We recommend the Mayor Office contact Assembly Member Toni Atkins and State Controller John Chiang for help in lobbying the DOF for the \$144 million in outstanding HUD debt, \$22 million in Petco Park debt, and the \$372 million in unmet Affordable Housing needs, through addition of new Line Items on an Amended ROPS-4.

The Civic San Diego, Independent Budget Analyst (IBA), Council President Gloria, the downtown Elite, and the City Council's solution is to let City Attorney Jan Goldsmith handle all issues of social justice through multi-year lawsuits against the DOF filed in Sacramento. Civic San Diego has hoarded \$1 Billion in Successor Agency Assets including \$400 million in cash, Bond Proceeds, and Reserves. All the while claiming poverty.

Regards,

Katheryn Rhodes
371 San Fernando Street
San Diego, California 92106
rhodes@laplayaheritage.com 619-523-4350