



THE CITY OF SAN DIEGO

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

WEDNESDAY, AUGUST 14, 2013

SAN DIEGO CIVIC CONCOURSE
SILVER ROOM
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 Robert McNamara, Council District 6 Aaron Friberg, Council District 8	Not Applicable

STAFF PRESENT	ATTENDANCE SHEET
Amy Gowan, Assistant Deputy Director, Economic Development Ulysses Panganiban, Project Manager, CDBG	36 people signed the attendance sheet

Call to Order

- Chair Moore called the workshop meeting to order at 9:06 a.m. with four Board members present. Quorum was not achieved, and no actions were taken during the meeting.

Staff Announcements

- Audie de Castro, Council District 4 representative, and Sam Duran, Council District 5 representative, tendered their resignations to staff effective immediately. Staff is in contact with the Mayor's Office and the Council Offices to have new members appointed to the Board. A minimum of five Board members is required to achieve a quorum and take official actions.

- Sima Thakkar will be joining the City on September 3, 2013, as the new HUD Programs Administration Program Manager. She will oversee the implementation of the City's HUD-funded programs covered by the Consolidated Plan.
- Staff is currently working on the Fiscal Year 2013 Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER is the annual report on the City's use of federal funds under the following grant programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). The CAPER reports on how funds were spent, households/individuals that benefited from the programs, and how the City made progress on its goals of meeting housing and community development needs. A draft version will be released for a 15-day public review period starting on September 4 through September 18, 2013. A summary of the CAPER will be presented to the Board and City Council as an information item in September 2013. Comments may be e-mailed to CDBG@sandiego.gov.
- HUD still has not released the revised list of CDBG-eligible census tracts (51 percent or more low/moderate-income residents) based on the 2010 Census. The last communication from HUD regarding the revised list was back in June 2013. As soon as the new list is released, staff will disseminate the information through the CDBG program website and e-mail distribution list.
- Staff is in the process of procuring consultant services to assist with the preparation of the Consolidated Plan for Fiscal Years 2015–2019. A Request for Proposals was released in June 2013, and interviews were conducted and a selection made in August 2013. Negotiations are currently underway, and staff anticipates executing an agreement with the winning firm by the end of September 2013.

Board Announcements

- Mr. McNamara inquired about the schedule for preparing the Consolidated Plan and how it would dovetail with preparing the Fiscal Year 2015 Annual Action Plan. Staff responded that tentative first-year goals might need to be established to guide the Fiscal Year 2015 Annual Action Plan while the Consolidated Plan was being developed.
- Mr. Moore inquired about the selection process for the next chair of the Board and the succession process should the chair position be vacated. Staff responded that, per San Diego Municipal Code Sections 26.2101–26.2113, the Mayor appoints the chair; however, in the event no appointment is made, the Board itself may appoint its own chair. Staff will verify with the City Attorney's Office regarding succession.

Non-Agenda Public Comment

- Lynn Congemi, with Workshops for Warriors, spoke about the mission and work of her organization.

Discussion Items

- **Item 5a – Allocation of Remaining CDBG Funds and Reprogramming:** Staff recapped the amount of CDBG funds available for allocation to new projects. The funds are available due to a variety of reasons, including: getting a higher-than-expected Fiscal Year 2014 CDBG allocation from HUD; unallocated funds from the Fiscal Year 2014 CDBG funding cycle; unexpended funds from closed/cancelled projects of prior fiscal years; and unused funds after the defeasement of the City’s HUD Section 108 loans. The table below presents the figures provided at the workshop for CDBG reprogramming:

Amount	Description
\$19,143,692	FY14 total CDBG allocation
\$1,256,444	Difference between estimated and actual Fiscal Year 2014 CDBG allocation (of which \$157,255 is PS and \$624,359 is CIP/CED)
\$493,447	Balance from the first Fiscal Year 2014 CDBG allocation hearing
\$249,381	Fiscal Year 2014 projects that have withdrawn
\$595,854	Projects from prior years completed with balances and balance after Section 108 final defeasement
\$1,680,914	Total CIP/CED amount available for programming after administration deduction

Staff anticipates the reprogramming of the remaining CDBG funds to occur in September 2013. Under consideration is allocating the portion of the remaining funds set aside for Capital Improvement Projects (CIP) and Economic Development (ED) projects to City CIP projects, such as streetlights and sidewalks, and allocating the portion set aside for Public Services (PS) projects to help fill the ESG budget gap created when \$338,248 less was allocated to the City for ESG than originally anticipated.

Ms. Granowitz requested the information reported on be provided in writing at the next Board meeting. She expressed preference for funding the next projects on the Board’s approved list of prioritized projects for Fiscal Year 2014 CDBG funding.

Mr. McNamara expressed opposition to allocating the remaining CDBG funds to City CIP projects. The funds should go to the next projects on the Board’s approved list of prioritized projects for Fiscal Year 2014 CDBG funding.

Mr. Moore requested verification of the CDBG PS funding amount required to be set aside annually to homeless-related activities and projects (\$1,318,078) per City Council direction. The Board has already made its recommendations on which projects to fund via the approved list of prioritized projects for Fiscal Year 2014 CDBG funding.

Mr. Friberg expressed preference for funding the next projects on the Board’s approved list of prioritized projects for Fiscal Year 2014 CDBG funding.

The following persons commented on this item:

- Christina Griffith, with Senior Community Centers, commented that the process to reprogram the remaining CDBG funds was unclear and not transparent. The Board should recommend funding the next projects on its approved list of prioritized projects for Fiscal Year 2014 CDBG funding.
- Abdi Mohamoud, with Horn of Africa, commented that the process to reprogram the remaining CDBG funds would be subjective and inconsistent if the approved list of prioritized projects for Fiscal year 2013 CDBG funding was not followed. Mr. Mohamoud asked how much time the agencies to be funded would have to complete their projects.
- Anne Bernstein, with Urban Corps of San Diego County, commented on the process for reprogramming the remaining CDBG funds and asked whether a new process other than the one followed earlier for the Fiscal Year 2014 CDBG funding cycle would be used.
- Item 5b – Draft Fiscal Year 2015 CDBG Allocation Process: Staff presented a proposal to implement a two-phased application process for the Fiscal Year 2015 CDBG funding cycle. Phase 1 would consist of a Request for Qualifications (RFQ), and Phase 2 would consist of a Request for Proposals (RFP). The RFQ phase would consist of asking potential applicants to submit information and documentation (e.g., tax forms, audits, board of directors composition, mission statement, etc.) to allow City staff to evaluate their qualification and capacity to successfully implement CDBG-funded projects. Those determined qualified by City staff would be eligible and invited to proceed to the RFP phase, in which applicants would submit detailed information on their proposed projects to be funded by CDBG. Staff provided a handout outlining the components of the RFQ application and the components of the RFP application. By having a two-phased approach to the application, greater efficiencies for both applicants and City staff would be achieved. Applicants would find out sooner whether or not they are eligible for CDBG funding before submitting a very detailed application. Staff would save time by reducing the number of review iterations of the applications by securing basic information first and getting those requirements out of the way.

Ms. Granowitz commented that having an RFQ process before the RFP would allow for a less tight schedule in terms of the application/evaluation process and that she supported the approach. She inquired who would review the budget portion of the application: the Board or City staff? Staff responded that staff would review the budget but all budget information would be forwarded to the Board during its evaluation.

Mr. McNamara expressed support for having the two-phased process.

Mr. Friberg expressed support for having the two-phased process.

The following persons commented on this item:

- Anne Bernstein, with Urban Corps of San Diego County, inquired about the timing for implementing the two-phased process and if this approach had already been decided on. Staff responded that the proposal was still being vetted with stakeholders and management; feedback would be appreciated.
- Kwofi Reed, with Local Initiatives Support Corporation, commented that he supported the two-phased process. He pointed out that agencies have different audit schedules, which should be factored into the due dates for submitting audit requirements for the CDBG funding application.
- Krista Stellmacher, with Community HousingWorks, commented that she supported the two-phased process. She inquired if agencies would still be able to work with City staff during the RFP process since most of the questions in previous years were related to project-specific information. Staff responded that agencies would be able to access staff support throughout the process.
- R. Daniel Hernández, with La Maestra Community Health Centers, commented that he supported the two-phased process. He expressed the need to eliminate politics in the allocation process and to provide agencies the opportunity to debrief with staff to improve for next time.
- **Item 5b – Draft Fiscal Year 2015 CDBG Application Review and Scoring Criteria:** Staff presented a list of application items that would be reviewed solely by staff as requested by the Board. Staff also presented the public input received to date on the scoring criteria and the list of factors which may be given consideration during the Fiscal Year 2015 CDBG funding cycle. Criteria/scores as approved by the Public Safety & Neighborhood Services (PS&NS) Committee for Fiscal Year 2013 would generally remain except for portions that affect the eligibility of projects, which would be removed from scoring by the Board and instead be evaluated by staff on a pass/fail basis. Additional revisions may be necessary to reduce redundancies. Staff anticipates presenting any proposed changes to the existing criteria to PS&NS in September 2013.

Mr. McNamara commented that he found the question on an applicant's history of CDBG funding to be the most controversial. He reminded the Board that points assigned to each criterion still need to be determined for the Fiscal Year 2015 CDBG funding cycle.

Mr. Moore asked the applicant community if they supported subtracting points from applicants that had received CDBG funding in prior years. The purpose of the point subtraction would be to diversify the variety of programs and projects funded by CDBG.

Mr. Friberg commented that funding should be based on merit, regardless of whether or not the applicant had received prior CDBG funding. Past performance and the location of the proposed project should be evaluated by staff and not by the Board.

Ms. Granowitz commented that perhaps points should be given for proposals that showed innovation. She agreed with Mr. Friberg that funding should be based on merit, regardless of whether or not the applicant had received prior CDBG funding. There needs to be a way to incentivize the funding of new programs, projects, and agencies; agencies should not expect to be funded yearly with CDBG. "New project" does not mean submitting each "piece" separately of a large project for CDBG funding each year.

The following persons commented on this item:

- Abdi Mohamoud, with Horn of Africa, asked why the scoring criteria were revised annually. Good programs/projects should not be penalized.
 - R. Daniel Hernández, with La Maestra Community Health Centers, commented that the criteria should specify whether fewer points would be given to previously funded agencies, or only if they propose the same project previously funded. Agencies that have received CDBG funding in the past but are proposing new projects should not be penalized.
 - Christina Griffith, with Senior Community Centers, questioned why repeat applicants ought to be penalized. The Board responded that it was a way being considered to diversify the programs and projects and agencies funded by CDBG.
 - Kwofi Reed, with Local Initiatives Support Corporation, commented on increasing agency capacity to compete for CDBG funding.
 - Debbie Trujillo, with the San Diego Small Business Development Center, commented that agencies that had demonstrated capacity to successfully implement impactful projects should not be discounted during the evaluation process. Perhaps points for fresh/innovative ideas should be awarded.
 - Krista Stellmacher, with Community HousingWorks, commented that focus should be on projects that directly achieved the Consolidated Plan goals. Points should be given based on merit. Agencies typically do not count on CDBG funding in their budgets because of the uncertainty of being CDBG funding annually.
- Next Meeting:
 - The following was discussed as potential items for the August 2013 CPAB meeting:
 - Fiscal Year 2013 Consolidated Annual Performance and Evaluation Report (CAPER)
 - Update on Consolidated Plan development

Additional Action Items

- No action was taken due to lack of quorum.

Adjournment

- Meeting adjourned 10:26 a.m.

Reference Only