



THE CITY OF SAN DIEGO

January 4, 2010

Mr. John Cook, Senior CPD Representative  
U.S. Department of Housing and Urban Development  
611 W. 6<sup>th</sup> Street, Suite 1000  
Los Angeles, CA 90017

Dear Mr. Cook:

The City of San Diego City Council has approved changes to the allocation of the City's CDBG-R grant funds. Please find enclosed a revised Second Substantial Amendment to the City's FY 2009 Annual Action Plan, as well as a copy of the related staff report to the City Council, resolution, and public noticing. The City's CDBG Office will also reissue the revised Second Substantial Amendment on our website.

Please let me know if you have any questions regarding these changes.

Sincerely,

William Anderson, FAICP  
Director

WA/vzw



**City Planning & Community Investment**

1200 Third Avenue, Suite 1400 • San Diego, CA 92101

Tel (619) 236-6700 Fax (619) 533-3219



**CITY OF SAN DIEGO  
COMMUNITY DEVELOPMENT BLOCK GRANT  
RECOVERY ACT PROGRAM (CDBG-R)**

**SECOND SUBSTANTIAL AMENDMENT  
TO THE  
FY 2009 ANNUAL ACTION PLAN**



## CDBG-R SUBSTANTIAL AMENDMENT

Jurisdiction: City of San Diego	CDBG-R Contact Person: Angela Nazareno
Jurisdiction Web Address: <a href="http://www.sandiego.gov/cdbg/general">www.sandiego.gov/cdbg/general</a>	Address: 1200 Third Avenue, Suite 1400 San Diego, CA 92101
	Telephone: (619) 236-6944 Fax: (619) 533-3219 Email: <a href="mailto:anazareno@sandiego.gov">anazareno@sandiego.gov</a>

### **ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS**

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

#### ***A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES***

Grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format is available on HUD’s recovery website at <http://www.hud.gov/recovery>.

**B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)**

(1) Activity Name:

<b>Activity Name</b>	<b>Activity Description</b>	<b>Allocation</b>
San Diego Apartments	Affordable housing rehabilitation (16 units)	\$266,000
Euclid Court Apartments	Affordable housing rehabilitation (11 units)	\$418,000
Trojan Street Apartments	Affordable housing rehabilitation (50 units)	\$1,700,000
National Avenue Apartments	Affordable housing rehabilitation (6 units)	\$100,000
Mt. Hope Market St. Median and Street Lighting Project	Public Infrastructure Improvements – medians and street lighting (public facilities)	\$556,510
Montgomery Waller Recreation Center	ADA Improvements - (public facilities) building improvements	\$590,000
Administration*	Oversight of the CDBG-R funds (max. 10%)	\$403,390
<b>Total Allocations</b>		<b>\$4,033,900</b>

\*Allocation of Administration Funds:

<b>Activity Name</b>	<b>Allocation</b>
CDBG-R General Program Administration	\$257,000
Mt. Hope Market Street Median and Street Lighting Project	\$61,390
Montgomery Waller Recreation Center	\$85,000
<b>Total Administration Funds</b>	<b>\$403,390</b>

(2) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

City response:

**Preserving and creating jobs and promoting economic recovery:** The City of San Diego has chosen to limit CDBG-R funding to public facilities, infrastructure, and affordable housing rehabilitation because these activities work towards preserving and creating jobs. As with other regions, the City has also been impacted by the current economic downturn. Therefore, the City plans to utilize the CDBG-R funds for hard development costs that employ or retain a significant number of workers which is consistent with the goals of the Recovery Act.

Please refer to **Attachment 1** for a more detailed description of each activity and to **Attachment 2** for the CDBG-R Activity Data Spreadsheet information. However, should any of the Prop IC projects not be funded by the State, then CDBG-R allocated for Prop IC projects will first be redirected to the San Diego Urban Corps and to San Diego Second Chance. Their proposed activities are listed on **Attachment 1 labeled, Alternative Projects**. These two non-profits projects are also identified on **Attachment 2**, the CDBG-R Activity Data Spreadsheet labeled, *Alternative Projects*.

(3) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

City response:

Jobs estimated created or retained per project (to the greatest extent feasible) are listed below:

San Diego Apartments	20-25 created
Euclid Court Apartments	15-20 created
Trojan Street Apartments	15-25 created
National Avenue Apartments	12 created
Mt. Hope/Market Street	20 retained/created
Montgomery Waller Recreation Center	20 retained/created

- (4) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

**City response:**

All infrastructure improvement projects are encouraged to comply with the City's Construction, Demolition Debris and Deposit Ordinance.

- (5) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

**City response:**

San Diego Apartments, Euclid Court Apartments, Trojan Street Apartments, and National Avenue Apartments

Contact: Cissy Fisher, Assistant Vice President

San Diego Housing Commission

1122 Broadway, Suite 300

San Diego, CA 92101

T: 619-578-7585

F: 619-578-7351

Mt. Hope/Market Street Median and Street Lighting

Montgomery Waller Recreation Center

Contact: James Nagelvoort, Deputy Director

City of San Diego, Engineering

600 B Street, Fifth Floor

San Diego, CA 92101

T: 619-533-3616

F: 619-533-3131

***C. PUBLIC COMMENT***

Provide a summary of public comments received to the proposed CDBG-R Substantial Amendment.

**City response:** The City of San Diego has undertaken several activities to provide notice of an opportunity to comment on this proposed substantial amendment to the FY2009 Action Plan. A Public Notice for the proposed substantial amendment was published in the Union Tribune, San Diego Daily Transcript, La Prensa, the Voice & Viewpoint, Channel 24 (CityTV), and the City's CDBG Program webpage ([www.sandiego.gov/cdbg/general](http://www.sandiego.gov/cdbg/general)). The public comment period was May 25<sup>th</sup> - June 1<sup>st</sup>, 2009. The public had a final opportunity to comment on the proposed amendment on June 1, 2009 when the City Council considered adoption of the amendment at a public meeting. All public comments obtained will be

included in the final substantial amendment submitted to the U.S Department of Housing and Urban Development (HUD) as **Attachment 3**.

## ATTACHMENT 1

PROJECT ACTIVITY	DESCRIPTION
San Diego Apartments	Planned improvements to the apartments include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, fumigation, energy efficient appliances, water-efficient plumbing fixtures, and retrofitting of one unit for improved accessibility. It is anticipated that this project will provide construction trade employment opportunities for approximately 20-25 individuals in various trades, over a 3-4 month period.
Euclid Court Apartments	Planned improvements to the apartments include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, fumigation, energy efficient appliances, water-efficient plumbing fixtures, and retrofitting of one unit for improved accessibility. The structures were constructed in the 1940s and will require lead abatement. It is anticipated that this project will provide construction trade employment opportunities for approximately 15-20 individuals in various trades, over a 2-3 month period.
Mt. Hope Market Street Median and Street Lighting Project	Public improvements, including street medians and streetlights will address residents' concerns about safety. A set of landscaped and paved street medians on Market Street between Boundary Street and 41 <sup>st</sup> Street will improve vehicular and pedestrian safety, improve neighborhood recognition by providing continuity with the existing medians, and enhance streetscape appearance. New streetlights to be installed south of Market Street between 41 <sup>st</sup> Street and 43 <sup>rd</sup> street will comply with City standards on spacing of streetlights and increase visibility and safety of the area.
Montgomery Waller Recreation Center	This recreation center is in the Otay Mesa community and serves a low-to-moderate income population. The recreation facilities are small and in need of rehabilitation to address compliance with ADA.
Trojan Avenue Apartments	Planned improvements to 50 apartment units include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, fumigation, energy efficient appliances, water-efficient plumbing fixtures, and retrofitting of one unit for improved accessibility.
National Avenue Apartments	Planned improvements to 6 apartment units include installation of energy efficient vinyl windows and insulation of dead areas around windows, weather stripping for doors, conversion to fluorescent light fixtures throughout units, upgrades and replacement of insulation, and if possible, conversion to energy efficient appliances.
	<b>ALTERNATIVE PROJECTS</b>
San Diego Second Chance Community Resource Center	Second Chance assists economically disadvantaged and homeless persons to gain employment. CDBG-R funding will be used for a second classroom and an enhanced community room for meetings and graduations.



## ATTACHMENT I

Urban Corps Youth Training Center	Urban Corps is a local non-profit organization that provides education, training and jobs to at-risk youth, ages 18-25, and their communities through conservation and environmental service work. They are working on constructing a community room and other facilities to help improve their building and programs. CDBG-R funds will be used to help complete the restoration project.
Canyon Vista Apartments	Planned improvements to 8 apartment units include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, fumigation, energy efficient appliances, water-efficient plumbing fixtures, and retrofitting of one unit for improved accessibility.
Alta Vista Apartments	Planned improvements to 12 apartment units include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, fumigation, energy efficient appliances, water-efficient plumbing fixtures, and retrofitting of one unit for improved accessibility.
Teralta Court Apartments	Planned improvements to 13 apartment units include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, fumigation, energy efficient appliances, water-efficient plumbing fixtures, and retrofitting of one unit for improved accessibility.
Hawthorn Street Apartments	Planned improvements to 14 apartment units include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, fumigation, energy efficient appliances, water-efficient plumbing fixtures, and retrofitting of one unit for improved accessibility.
Wightman Street Apartments	Planned improvements to 45 apartment units include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, fumigation, energy efficient appliances, water-efficient plumbing fixtures, and retrofitting of one unit for improved accessibility.
Stork Street Apartments	Planned improvements to 15 apartment units include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, fumigation, energy efficient appliances, water-efficient plumbing fixtures, and retrofitting of one unit for improved accessibility.
South 40 <sup>th</sup> Street Apartments	Planned improvements to 16 apartment units include landscaping, site drainage, walkway repairs, kitchen and bathroom remodeling, roofing and insulation, energy efficient door and window replacements, ceiling fans, floor coverings, interior and exterior painting, fumigation, energy efficient appliances, water-efficient plumbing fixtures, and retrofitting of one unit for improved accessibility.



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: November 10, 2009 REPORT NO: 09-158  
REVISSED  
ATTENTION: Council President and City Council  
SUBJECT: Community Development Block Grant Recovery (CDBG-R) Second  
Reallocation Hearing

REQUESTED ACTION:

1. Adopt the reallocation of \$7,000 previously allocated to Proposition 1C projects, and authorize the Chief Financial Officer to appropriate and expend the remaining \$900 of the City of San Diego's CDBG-R funds in conformance with the amended Second Substantial Amendment to the Fiscal Year 2009 Annual Action Plan and prior to program expiration, contingent upon certification of funds availability by the Chief Financial Officer
2. Authorize the Mayor or his designee to negotiate and execute agreements with those agencies selected for administration of projects and programs associated with CDBG-R funding, contingent upon certification of fund availability by the Chief Financial Officer.

STAFF RECOMMENDATION:

Adopt the Requested Actions.

SUMMARY:

The Community Development Block Grant (CDBG) Program is a block grant program that enables local governments to undertake activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income. Through the 2009 American Recovery and Reinvestment Act (ARRA), the U.S. Department of Housing and Urban Development (HUD) is awarding stimulus funding to states and local governments to carry out, on an expedited basis, eligible activities under the CDBG program. The grant program under Title XII of the ARRA is commonly referred to as the CDBG Recovery (CDBG-R) program.

The City of San Diego, as a CDBG grantee, received \$4,033,900 in CDBG-R funds. In order to access this funding, the City of San Diego submitted an application in the form of a Second Substantial Amendment to the FY 2009 Annual Action Plan to HUD on June 5, 2009, as authorized by the City Council on June 1, 2009. The Second Substantial Amendment to the FY 2009 Annual Action Plan identified six activities or projects for CDBG-R funding: 1) San Diego Apartments affordable housing rehabilitation project; 2) Euclid Court Apartments affordable

housing rehabilitation project; 3) Mount Hope/Market Street Median and Street Lighting project; 4) Montgomery Waller Recreation Center ADA Improvements project; 5) local matching funds for Proposition 1C Projects; and 6) Administration.

The resolution adopted by the City Council on June 1, 2009 only appropriated \$4,033,000 of the City's CDBG-R Entitlement (\$4,033,900), leaving an unappropriated balance of \$900. Then, Council allocated \$1,807,000 of the CDBG-R Entitlement as a local match to Proposition 1C Projects. The City was notified in early July that the California Department of Housing and Community Development (HCD) did not accept the above mentioned \$1,807,000 as Proposition 1C matching funds.

On August 31, 2009 staff brought back the item and City Council reallocated only \$1,800,000 of the \$1,807,000 initially allocated to the Proposition 1C Projects to other eligible housing rehabilitation projects, leaving an unallocated balance of \$7,000.

In order to be in compliance with the U.S. Housing and Urban Development Department (HUD), the City must allocate the entire Entitlement award to various projects. Therefore, the City must allocate the remaining balance of \$7,000 from the Proposition 1C projects and the unappropriated \$900 from the City's CDBG-R award to an eligible project.

Staff is recommending that the total balance of \$7,900, be allocated to the Mount Hope Market Street Median and Street Lighting project for construction-related engineering costs.

FISCAL CONSIDERATIONS:

This action will not result in any fiscal impacts to the City's General Fund.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

City Council – August 31, 2009

City Council – June 1, 2009

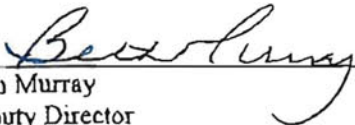
Land Use and Housing Committee and Public Safety and Neighborhood Services Committee – May 20, 2009 (special joint session)

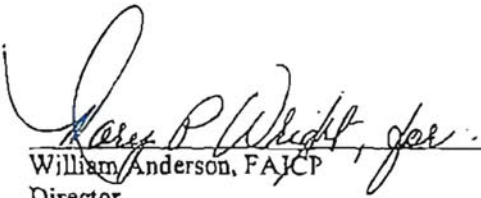
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

A Public Notice for the proposed reallocation is being published in the Union Tribune, San Diego Daily Transcript, La Prensa, the Voice & Viewpoint, Channel 24 (CityTV), and the City's CDBG program webpage ([www.sandiego.gov/cdbg/general](http://www.sandiego.gov/cdbg/general)). The public will have an opportunity to comment when the City Council considers adoption of the reallocation at a public meeting.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Residents of low and moderate income communities.

  
\_\_\_\_\_  
Beth Murray  
Deputy Director  
Economic Development Division

  
\_\_\_\_\_  
William Anderson, FAICP  
Director  
City Planning & Community Investment

RESOLUTION NUMBER R- 305430DATE OF FINAL PASSAGE DEC 10 2009

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING APPROPRIATION OF CDBG-R FUNDS, A REALLOCATION OF CDBG-R FUNDS, AND TO EXECUTE AGREEMENTS WITH SELECTED AGENCIES.

WHEREAS, the American Recovery and Reinvestment Act of 2009 (ARRA) was approved by both houses of Congress on February 13, 2009 and signed by President Obama on February 17, 2009; and

WHEREAS, Title XII of ARRA has provided supplemental funds to the Community Development Block Grant (CDBG) program, known as CDBG Recovery (CDBG-R) funds; and

WHEREAS, the City of San Diego (City), as an entitlement city under the U.S. Department of Housing and Urban Development (HUD) CDBG program, received \$4,033,900 in CDBG-R funds; and

WHEREAS, on June 1, 2009, the City Council adopted a resolution appropriating and allocating only \$4,033,000 of the \$4,033,900 in CDBG-R funds awarded to the City, including an allocation of \$1,807,000 as a local match for Proposition 1C projects; and

WHEREAS, in early July 2009 the City was notified by the California Department of Housing and Community Development that the projects approved by Council to receive the \$1,807,000 in CDBG-R funds were not selected for Proposition 1C funding; and

WHEREAS, on August 31, 2009, the City Council adopted a resolution reallocating \$1,800,000 of the \$1,807,000 in CDBG-R funds previously allocated to Proposition 1C projects to other eligible housing rehabilitation projects; and

WHEREAS, the City Council must now appropriate the remaining un-appropriated CDBG-R grant amount of \$900 and reallocate \$7,900 to another eligible project;

NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego that the City Comptroller, on behalf of the City as a grantee, is authorized to accept additional CDBG-R funds from HUD in the amount of \$900;

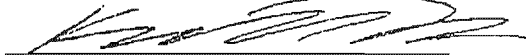
BE IT FURTHER RESOLVED, that the CDBG-R funds in the amount of \$7,900 are approved for reallocation to those activities specifically selected by Council at the reallocation hearing dated November 23, 2009, as follows:

- a. Mount Hope Market Street Median and Street Lighting project, in the amount of \$7,900.

BE IT FURTHER RESOLVED, that the City Comptroller is authorized to appropriate and expend the CDBG-R funds in conformance with the reallocation approved by Council, provided that the City Comptroller first furnishes one or more certificates certifying that the funds are available.

BE IT FURTHER RESOLVED, that the Mayor or his designee is authorized to negotiate and execute agreements with those agencies for administration of projects and activities selected for CDBG-R funding in the reallocation hearing, dated November 23, 2009, provided that the City Comptroller first furnishes one or more certificates certifying that the funds are available.

APPROVED: JAN I. GOLDSMITH, City Attorney


By 

Kenneth So  
Deputy City Attorney

KS:js  
11/06/2009  
11/19/2009 Corr.  
Or.Dept: E&CP  
R-2010-364  
MMS #10895

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 23 2009.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

12.10.09  
Approved: \_\_\_\_\_  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

P.O. Box 120191, San Diego, CA 92112-0191

**AFFIDAVIT OF PUBLICATION**

CITY OF SAN DIEGO  
COMMUNITY & ECONOMIC DEVEL  
1200 THIRD AVENUE, #1400  
ATTN: BOBBI JONES  
SAN DIEGO, CA 92101

STATE OF CALIFORNIA) ss.  
County of San Diego)

The Undersigned, declares under penalty of perjury under the laws of the State of California: That she is a resident of the County of San Diego. That she is and at all times herein mentioned was a citizen of the United States, over the age of twenty-one years, and that she is not a party to, nor interested in the above entitled matter; that she is Chief Clerk for the publisher of

**The San Diego Union-Tribune**

a newspaper of general circulation, printed and published daily in the City of San Diego, County of San Diego, and which newspaper is published for the dissemination of local news and intelligence of a general character, and which newspaper at all the times herein mentioned had and still has a bona fide subscription list of paying subscribers, and which newspaper has been established, printed and published at regular intervals in the said City of San Diego, County of San Diego, for a period exceeding one year next preceding the date of publication of the notice hereinafter referred to, and which newspaper is not devoted to nor published for the interests, entertainment or instruction of a particular class, profession, trade, calling, race, or denomination, or any number of same; that the notice of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following date, to-wit

Nov 10, 2009, Nov 11, 2009, Nov 12, 2009, Nov 13, 2009, Nov 14, 2009, Nov 16, 2009, Nov 17, 2009, Nov 18, 2009, Nov 19, 2009, Nov 20, 2009, Nov 21, 2009, Nov 23, 2009, Nov 24, 2009

  
Chief Clerk for the Publisher

11/30/09  
Date

**Affidavit of Publication of**

Legal Advertisement  
Ad # 0010316010  
ORDERED BY: BAL STEVE ON BEHALF OF

**City of San Diego  
Notice of Public  
Hearing  
CDBG-R Second  
Reallocation**

The City of San Diego was allocated a supplementary Community Development Block Grant - Recovery (CDBG-R) award of \$4,033,900 under the American Recovery and Reinvestment Act of 2009. The U.S. Department of Housing and Urban Development (HUD) strongly urges CDBG-R funds to be spent to further economic investment, increased energy efficiency, and job creation or retention. On June 1, 2009, the City Council accepted and allocated \$4,033,000 of the \$4,033,900 grant amount. This hearing is to accept and allocate the remaining \$ 900 in grant funds and to reallocate \$7,000 previously allocated to Proposition 1 C housing projects to an eligible activity. An electronic copy of the proposed second reallocation will be posted on the City's CDBG website at [www.sandiego.gov/cdbg/general](http://www.sandiego.gov/cdbg/general) from November 10 - November 24, 2009.

The proposed substantial amendment will be considered by City Council during their regularly scheduled meeting on November 23, 2009 at:

City Administration  
Building  
Council Chambers, 12th  
Floor  
202 C Street  
San Diego, CA 92101

Public comments will be accepted during this hearing. In addition, written comments will be accepted prior to the public hearing at the CDBG Program office (1200 Third Avenue, Suite 1400, San Diego, CA 92101) or by email ([vwhife@sandiego.gov](mailto:vwhife@sandiego.gov)) through November 24, 2009.