



City of Rialto

Legislation Text

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For City Council Meeting [May 12, 2020]

TO: Honorable City Council

APPROVAL: Rod Foster, City Manager

FROM: Stephen Erlandson, Deputy City Manager

Request City Council to Conduct a Public Hearing to Consider the City's Community Development Block Grant (CDBG) Five-Year Consolidated Plan (2020-2024), Annual Action Plan (2020-2021), Citizen Participation Plan, and Analysis of Impediments to Fair Housing Choice (2020-2024). At the conclusion of the public hearing and Council comments, Consider the Staff Recommendations detailed herein, make any modifications to said CDBG documents/allocations deemed appropriate by the Council, and subsequently approve the documents for submission/processing with the Federal Government.

(ACTION)

BACKGROUND

The U. S. Department of Housing and Urban Development (HUD) requires that the City prepare and submit a Five-Year Consolidated Plan (2020-2024), an Annual Action Plan (2020-2021), a Citizen Participation Plan, and an Analysis of Impediments to Fair Housing Choice (2020-2024) if it receives Federal funding under one or more of the following programs: Community Development Block Grant (CDBG), HOME, Housing for People With AIDS (HOPWA), and Emergency Solutions Grant (ESG). As a recipient of CDBG funds, the City has prepared the aforementioned Draft documents for review and consideration by the City Council and submittal to HUD.

CDBG CARES Funding Background

The CDBG program is a federally funded program of the U.S. Department of Housing and Urban Development (HUD) that provides funding for housing, community facilities, and public services. On April 2, 2020 HUD announced the allocation of the first \$2 billion in CARES Act funding for current CDBG grantees. The CARES Act builds on features of the existing CDBG program as well as precedent set by CDBG Disaster Response (CDBG-DR) supplemental appropriations. The act directs HUD to administer these funds, pursuant to Section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306). This provision calls for HUD to allocate the supplemental funds to CDBG grantees -including eligible local governments, states, and insular areas - proportional to their conventional Fiscal Year 2020 CDBG allocation, as published by HUD in April 2020.

CARES CDBG-CV funding is intended to prevent, prepare for, and respond to coronavirus based on public health needs, risk of transmission of coronavirus, number of coronavirus cases compared to

the national average, and economic and housing market disruptions. The remaining funds will be distributed to states and units of local government on a rolling basis, at the discretion of the Secretary of the U.S. Department of Housing and Urban Development, with formula factors to be defined by HUD

ANALYSIS/DISCUSSION

The City of Rialto receives Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) each year. HUD requires all entitlement communities receiving Community Planning and Development (CPD) funds to prepare and submit a Consolidated Plan every five years to establish a unified, strategic vision for housing, community, and economic development actions. HUD further requires the submission of One-Year Action Plans each year during the planning period to outline the planned projects, one-year goals and budgets for the CDBG projects to be implemented during the upcoming program year. The Draft documents to be submitted in HUD have been prepared under the guidance of the Council's Community Development Block Grant (CDBG) Subcommittee, consisting of Mayor Robertson and Council Member Baca, as well as the Deputy City Manager and consultant (LDM) in order to fulfill each of these HUD requirements. The Council's CDBG Subcommittee met twice to consider the proposals from CDBG public service project applicants and recommend the allocation of funding for staff to present to the entire City Council. Further, staff participated in the preparations and recommends adoption of an Analysis of Impediments to Fair Housing Choice, and lastly a revised Citizen Participation Plan to reflect changes in HUD regulatory requirements since the last Citizen Participation Plan was adopted May of 2015.

Consolidated Plan (2020-2024)

The Draft Consolidated Plan covering the period of July 1, 2020 to June 30, 2024 includes an analysis of local community needs taking into account available demographic, housing and economic data from the 2011-2015 American Community Survey 5-Year Estimates and other HUD supplied data sources as well as information gathered through consultation with local agencies and stakeholders as well as a Consolidated Plan Community Survey for residents to express their views. The Consolidated Plan includes strategies and goals to use available resources such as CDBG funds to address local priority needs identified as part of the planning process and to meet HUD's national goals to provide decent housing, a suitable living environment and expand economic opportunity for low- and moderate-income families.

The Draft Consolidated Plan includes four (4) priority needs to be addressed through the implementation of projects in each of the One-Year Action Plans corresponding to four (4) Strategic Plan goals over the next five (5) years. The priority needs and goals are summarized in the table below.

| Priority Need | Strategy / Goal |
|---|--|
| Improve community facilities and infrastructure improvements | Community facilities and infrastructure |
| Provide Services to help low-and moderate-income residents | Public services for low-income residents |
| Preserve the supply of affordable housing in the City of Rialto | Housing Preservation |
| Ensure equal access to housing opportunities | Fair Housing Services |

One-Year Action Plan (2020-2021)

The Action Plan delineates Rialto's use of its 2020-2021 CDBG funds. It describes the resources available for program implementation; activities to be undertaken during Program Year 2020-2021; a monitoring plan; the City's homeless and anti-poverty strategies; and coordination efforts that have or will be undertaken to implement the Action Plan. The 2020-2021 program year begins July 1, 2020 and ends June 30, 2021. The City expects to receive \$1,214,285 of new CDBG funding for the 2020-2021 program year and anticipates receiving similar allocations for the subsequent four program years covered by the Draft 2020-2024 Consolidated Plan. Annual allocations of CDBG funds are subject to change based on federal appropriations and any changes to the HUD grant allocation formulas or data used in the formulas. When combined with available prior year resources of \$81,657, which is primarily comprised of unspent program administration allocations along with the Fit 4 Kids Program not spending their entire allocation, the 2020-2021 Action Plan allocates \$1,295,942 of CDBG funds to the following program activities to be implemented from July 1, 2020 to June 30, 2021:

2020-2021 CDBG Subcommittee Proposed Public Service Activities

| | |
|---|------------------|
| Big Brothers/Big Sisters of Inland Empire: | |
| School Based Mentoring program | \$ 12,225 |
| City of Rialto: Senior Services Division: | |
| (various workshops including a technology workshop) | \$ 48,500 |
| City of Rialto: Police Department: PRIDE Platoon Boot Camp | \$ 35,000 |
| Rialto Family Health Services: | |
| Veterans Affairs Assistance Program | \$ 20,000 |
| Legal Aid Society of San Bernardino: Legal Aid Rialto | \$ 21,000 |
| National Council of Negro Women/Bethune Center: | |
| Young Adults Academic and Pre-Employment Skills Program | \$ 40,417 |
| <u>Rialto Child Assistance: Rialto Child Assistance Program</u> | <u>\$ 5,000</u> |
| | <u>\$182,142</u> |

2020-2021 CDBG Subcommittee Proposed Capital Activities

| | |
|--|-----------|
| City of Rialto: Section 108 Loan Repayment | \$428,120 |
|--|-----------|

| | |
|---|------------------|
| City of Rialto: Community Center Building/Tenant Improvements | \$439,275 |
| <u>City of Rialto: Mobile Home Repair Program</u> | <u>\$ 3,548</u> |
| | <u>\$870,943</u> |

2020-2021 CDBG Subcommittee Proposed Program Administration Activities

| | |
|---|------------------|
| City of Rialto: CDBG Program Administration * | \$213,796 |
| Inland Fair Housing and Mediation Board: Fair Housing Program | \$ 29,061 |
| | <u>\$242,857</u> |

*Of this amount, \$115,000 is applicable to the LDM agreement, with the remaining amount programmed for City staff time for those who assist with the program. Staff has issued a Request for Proposals (RFP) for CDBG grant administration and expects to bring the recommended firm to Council for consideration in June/July 2020.

Analysis of Impediments to Fair Housing Choice (2020-2024)

The Analysis of Impediments to Fair Housing Choice focuses on actions, omissions and decisions made because of race, color, religion, sex, disability, familial status or national origin, which restrict, or have the effect of restricting, housing choices or the availability of housing choices in the City. The Analysis of Impediments to Fair Housing Choice (AI) also examines local housing conditions, economics, policies, and practices in order to ensure that housing choices and opportunities for all residents are available in an environment free from discrimination. The AI lastly assembles fair housing information, identifies existing impediments that limit housing choice, and proposes actions to mitigate those impediments, of which there is one related to discrimination against persons with disabilities that has been an ongoing issue since the 2010-2014 planning period. The Deputy City Manager, who was given administrative authority over the CDBG program in February 2020 by the City Council, will resolve this ongoing impediment by working with the Inland Fair Housing and Mediation Board (IFHMB) to conduct fair housing workshops regarding the disabled and specifically, issues of reasonable accommodations and modifications. These expanded workshops will be conducted in Rialto and throughout the region. Furthermore, staff will consider contracting with the IFHMB, or similar organization, to conduct expanded testing in Rialto to address issues of possible discrimination based on race, familial status, national origin, disability, and other protected categories.

Citizen Participation Plan

HUD requires the City to afford citizens and stakeholders with the opportunity to participate in the development of the Consolidated Plan documents, including the Consolidated Plan, One-Year Action Plans, Consolidated Annual Performance and Evaluation Reports and substantial amendments to these documents. The Draft Citizen Participation Plan establishes the City's policies and procedures for community participation in the development of strategies, planning and implementation of federal grants including the Community Development Block Grant (CDBG) program.

The Draft documents were made available for public review and comment from April 12, 2020 through and including, May 12, 2020. Complying with social distancing protocols and City issued COVID-19 public service announcements announcing the closures to the public of all City facilities, residents were encouraged to review copies of the Draft documents online at:

<https://www.yourrialto.com>. Draft documents would be made physically available to the public at the City Clerk's office, Rialto Community Services Department, and Rialto Public Library if the facilities were to have opened and there be time left during the public review period. The Public Hearing is scheduled for May 12, 2020, at 6:30 p.m. and will provide another opportunity for public input. Any and all comments received during the process (at public meetings and/or in writing) with respect to a particular Draft document will be incorporated into the final Draft documents, as applicable, prior to submission to HUD. The public hearing before the City Council is required to allow citizens to comment on the proposed use of the CDBG funds and to consider and approve the City's 2020-2024 Consolidated Plan, 2020-2021 One-Year Action Plan, Citizen Participation Plan, and 2020-2024 Analysis of Impediments to Fair Housing Choice.

Legal Counsel Advice

On the advice from special counsel Randall Keen from the law firm of Manatt, Phelps & Phillips, LLP, retained to address conflict of interest issues involving Mayor Robertson and a family member with ties to the Bethune Center, CDBG Grants, and the Rialto Resource Center at 141 Riverside Avenue, Mr. Keen recommends that:

1. Because the Mayor's daughter is the President of the Bethune Center, and because Special Counsel does not know if the Mayor has a financial interest in either her daughter or the Bethune Center, Special Counsel highly recommends that the Mayor recuse herself from any and all discussions and votes regarding the Bethune Center. This includes any discussion and vote on CDBG funds and any discussion or vote on the use of the Resource Center.
2. Because Special Counsel do not know if the Mayor has a financial interest in either her daughter or the Bethune Center under Section 1090, and because Section 1090 prohibits a City Council from approving a contract where a City Council member has a prohibited financial interest-even if the impacted member recuses herself- Special Counsel highly recommends that the City Council not vote to award any grant to the Bethune Center, or to enter into any other agreement with the Bethune Center, unless and until it is clear that the Mayor does not have a financial interest in either her daughter or the Bethune Center.
3. Because the Mayor's daughter is the President of the Bethune Center, her daughter almost certainly would have "a financial or other interest in or a tangible personal benefit from [the Bethune Center if the Bethune Center is] considered for a [grant]." Special Counsel therefore highly recommends that the Mayor recuse herself from any and all discussions and vote regarding a CDBG grant to the Bethune Center. This is virtually the same as Recommendation 1 above, under a different body of law.
4. The Mayor's positive comments about the Bethune Center during the subcommittee's discussion on CDBG funding could be considered as "participation" in the selection of the Bethune Center for CDBG funding. Special Counsel therefore highly recommends that the City Council not vote to award any CDBG grant to the Bethune Center to avoid any argument that this year's funding was tainted by the Mayor's involvement. This is virtually the same as Recommendation 2 above, under a different body of law.

As such, it is strongly recommended that Mayor Robertson fully recuse herself from any CDBG item concerning the legal review before the Council until the matter is resolved.

Staff Recommendation for One-Year Action Plan (2020-2021)

Based on the conflict of interest findings resulting from the work performed during the June 30, 2019 fiscal year-end audit by the City's independent auditing firm of Teaman, Ramirez, and Smith, and the aforementioned advice from special counsel, staff recommends, with exceptions for the Rialto Police Department Pride Platoon (\$35,000) and the Rialto Senior Services Division Senior Citizen Workshops (\$48,500), that the remaining proposed allocations/funding for public service projects for the 2020-2021 CDBG Public Service Activities not be approved by the City Council. Instead, staff is requesting that the Council provide direction on how the remaining amount of \$98,642 should be allocated and expended.

ENVIRONMENTAL IMPACT

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA).

GENERAL PLAN CONSISTENCY

Complies with the following Rialto General Plan Guiding Principle:

Our Government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW

The City Attorney has reviewed and supports this staff report.

FINANCIAL IMPACT

Operating and Capital Improvement Budget Impact

The expected funding of \$1,214,285 for the proposed 2020-2021 CDBG Annual Action plan will come from the City's 2020-2021 allocation from the U.S. Department of Housing and Urban Development (HUD). Upon submittal and approval of the City's 2020-2024 Consolidated Plan and 2020-2021 Annual Action Plan, funds equal to the City's CDBG allocation will be available to the City.

Licensing

A Business License is not required as part of this action.

RECOMMENDATION

It is recommended that the City Council conduct a Public Hearing to consider the City's CDBG Five-Year Consolidated Plan (2020-2024), Annual Action Plan (2020-2021), Citizen Participation Plan, and Analysis of Impediments to Fair Housing Choice (2020-2024). At the conclusion of the public hearing and Council comments, consider the staff recommendations detailed herein, make any modifications to said CDBG documents/allocation deemed appropriate by the Council, and subsequently approve the documents for submission/processing with the Federal Government.