



City of Rialto

Legislation Text

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For City Council Meeting [September 27, 2022]

TO: Honorable City Council

APPROVAL: Marcus Fuller, City Manager

FROM: Cynthia Alvarado, Parks, Recreation & Community Services Director

Lisette Montoya, Avant Garde Inc.

Request City Council to: (1) Conduct a Public Hearing and Solicit Public Comments from Interested Citizens on the Fiscal Year 2021-2022 CDBG Consolidated Annual Performance and Evaluation Report (CAPER); (2) Ratify the CDBG Fiscal Year 2021-2022 Annual Action Plan by Increasing the Section 108 Loan Repayment by \$56,122.28 to \$489,383.28; (3) Adopt **Resolution No. 7981** Approving the Fiscal Year 2021-2022 CAPER; and (4) Authorize the City Manager to Submit the Fiscal Year 2021-2022 CAPER to the U.S. Department of Housing and Urban Development (HUD).

POWERPOINT

(ACTION)

BACKGROUND

In June of 2020, the City Council approved the City's 2021-2022 CDBG One-Year Action Plan. As required by the United States Department of Housing and Urban Development (HUD), the City of Rialto prepared the Consolidated Annual Performance and Evaluation Report (CAPER) which contains an assessment of the City's performance in meeting its Fiscal Year 2021-2022 housing and community development goals. Additionally, the CAPER discusses its progress in meeting the five-year goals as outlined in the 2020-2024 Consolidated Plan. Lastly, the CAPER discusses changes the City anticipates making in the upcoming year as a result of the assessment of FY 2021-2022 annual performance.

The Fiscal Year 2021-2022 CAPER was made available for public review and comment beginning on September 13, 2022, through September 27, 2022. A notice of availability was duly published in the San Bernardino County Sun newspaper on September 13, 2022. The CAPER was made available on the City's website at yourrialto.com.

ANALYSIS/DISCUSSION

The City, as a direct recipient of HUD federal funds, is required to submit a CAPER report to HUD. This report presents a summary of resources made available during the program year, accomplishments based on priorities established by the Consolidated Plan, and assessing the City's annual performance.

The CAPER reports the accomplishments of CDBG funded programs. Summarized below is a list of accomplishments from July 1, 2021, to June 30, 2022:

CDBG: The City of Rialto received an allocation of \$1,266,458 in CDBG funds in FY 2021-22. Additional funds were carried over and reprogrammed from previous fiscal years bringing the CDBG the total for FY 21-22 to a total of \$1,543,879. The FY 21-22 Accomplishments included:

- Provided fair housing services to **283** residents
- Provided Public Services to **163** Low-income residents in the City of Rialto
- Loan pay off of Section 108 Loan for the Rialto Senior Center
 - The city continues to make Section 108 loan repayments for Bud Bender Park. (Loan pay off expected: 2038).

Program Summaries:

- Community Facilities & Infrastructure Improvement: Construction of building 300 is near completion and is expected to be completed by the end of the month. Building 400 is currently in the design phase. A design consultant was recently selected for this project.
- Sidewalk, Curb and Gutter: This project is currently in construction and is expected to be completed by the end of 2022.
- Mobile Home Repair Program: The Mobile Home Repair Program was initiated late in the fiscal year. This was due to the need to develop program policies and procedures prior to implementation. There are currently 3 approved applicants. The staff is in the process of soliciting bids from contractors to perform the improvements. There are 7 applicants that are in the process of being qualified. It is anticipated that the funds for this program will be expended in the upcoming year.

Subrecipient summary of residents served:

It should be noted that in some cases more residents were served, however, the non-profits did not collect the self-certification forms from all residents served, and HUD will only recognize the residents served through documentation via the self-certification forms collected by the non-profits.

Subrecipient	Goal	Rialto Residents Assisted	Rialto Residents Assisted; certification forms provided
Inland Equity Community Land Trust	10	14	14
Easterseals South California	170	135	19
Legal Aid Society of San Bernardino	66	79	79
Rialto Family Health Services	20	20	12
San Bernardino Community Services	26	8	8
NCNW/Bethune Center	26	19	19
City of Rialto: Senior Services Division	100		12
Total		275	163

CDBG Summary of Expenditures

It should be noted that for the Community Facilities & Infrastructure Improvement projects, more direct expenditures have been incurred and progress made with the capital projects, however, there is a lag in time with invoicing these expenditures to HUD for reimbursement to the City. The Table below reports only the reimbursements received as of June 30, 2022. The Finance Department and CDBG Consultant have implemented procedures for timely invoicing of expenditures to CDBG.

Strategic Plan Goal/Activity	Source	Allocation	Funds Reimbursed by HUD
1. Program Administration			
CDBG Program Administration	CDBG	\$220,813.00	\$220,813.00
Inland Fair Housing & Mediation Board	CDBG	\$32,478.00	\$32,478.00
2. Community Facilities & Infrastructure Improvement			
2019 Community Center Building/Tenant Improvements Building 200	CDBG	\$490,749.00	\$490,749.00
2020 Community Center Building/Tenant Improvements Building 300	CDBG	\$439,275.00	\$167,629.10
2021 Community Center Building/Tenant Improvements Building 400	CDBG	\$331,895.00	\$0.00
2021 Sidewalk, Curb, Gutter	CDBG	\$121,435.00	\$2,250.00
3. Housing Preservation			
2021 Mobile Home Program	CDBG	\$121,435.00	\$0.00
4. Public Services for low-income residents			
Inland Equity Community Land Trust	CDBG	\$13,244.67	\$6,289.39
Easterseals South California	CDBG	\$20,000.00	\$13,264.63
Legal Aid Society of San Bernardino	CDBG	\$13,244.67	\$13,244.42
Rialto Family Health Services	CDBG	\$13,244.67	\$13,244.67
San Bernardino Community Services	CDBG	\$13,244.66	\$5,705.67
National Council of Negro Women/Bethune Center	CDBG	\$42,000.00	\$41,998.88
City of Rialto: Senior Services Division	CDBG	\$48,500.00	\$46,828.98
5. Section 108 Loan Payment			
2021-2022 Section 108 Loan Payment	CDBG	\$489,383.28	\$489,383.28
	Total	\$2,410,941.95	\$1,543,879.02

CDBG-CV: The City also received \$1,339,584 in supplemental CDBG Coronavirus (CDBG-CV) funding to help prepare, prevent, and respond to the COVID 19 pandemic. The City amended their 2020-2021 Annual Action Plan to allocate funds to programs and activities throughout the City to help struggling residents in the community. To date, the City received reimbursement from HUD for \$290,854.64 in CDBG-CV funds but the City has expended \$902,786.70.

Staff is currently working on verifying eligibility documentation for the funds expended to date and will submit additional reimbursement requests to HUD.

Program Summaries:

- Rental, Mortgage, Utility: The city has expended \$620,004.25 for this program. Applications continue to be processed.
- Small Business: The city has expended \$48,000 to date on this program. Applications continue to be processed.

- Social Work Action Group: The city has expended the entire amount of \$197,162 programmed.
- Workforce Development: The city has expended \$37,620.45 to date on this program. Program continues in process.
- PPE & Hot Meals for Seniors: This program has some expenditures; staff is in the process of verifying backup documentation to submit to HUD for reimbursement.
- Food Insecurity Program: A request for proposals was released 9/21/22 via planet bids and will close on October 21, 2022.

CDBG-CV Summary of Expenditures

The City has expended 67% of its CDBG-CV funds to date; the City has until April 2024 to exhaust this funding. The Finance Department and CDBG Consultant have implemented procedures for timely invoicing of expenditures to CDBG.

Strategic Plan Goal/Activity	Source	Allocation	Program Funds Expended to Date	Funds Reimbursed by HUD
Rental, Mortgage, Utility	CDBG-CV	\$760,000.00	\$620,004.25	\$205,234.19
Small Business	CDBG-CV	\$200,000.00	\$48,000.00	\$48,000.00
Social Work Action Group	CDBG-CV	\$197,162.00	\$197,162.00	\$0.00
Workforce Development	CDBG-CV	\$57,162.00	\$37,620.45	\$37,620.45
PPE and Hot Meals for Seniors	CDBG-CV	\$25,260.00	\$0.00	\$0.00
Food Insecurity Program	CDBG-CV	\$100,000.00	\$0.00	\$0.00
	Total	\$1,339,584.00	\$902,786.70	\$290,854.64

Ratify Amended FY 21-22 CDBG Allocation

In accordance with the City's Citizen Participation Plan, changes in CDBG funded activities that are less than \$200,000 (budget or allocation) does not warrant a Substantial Amendment process. However, the budget adjustment does require City Council approval.

Staff recommends increasing the amount previously allocated to the Section 108 Loan Repayment of the grant by \$56,122.28, thus resulting in an amendment from \$433,261 to \$489,383.28.

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

There are no fiscal impacts to the General Fund.

RECOMMENDATION

Staff recommends that the City Council:

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