

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

July 23, 2024

FROM

CARRIE HARMON, Director, Community Development and Housing

SUBJECT

Substantial Amendment to the 2019-20 Annual Action Plan, 2020-25 Consolidated Plan, and 2020-25 Citizen Participation Plan

RECOMMENDATION(S)

1. Conduct a Public Hearing to obtain citizen comments on the substantial amendment to the 2019-20 Annual Action Plan, 2020-25 Consolidated Plan, and 2020-25 Citizen Participation Plan.
2. Approve the substantial amendment to the 2019-20 Annual Action Plan to adjust funding for Community Development Block Grant-Coronavirus activities and allocate budgets to new or existing activities.
3. Approve the substantial amendment to the 2020-25 Consolidated Plan to add a new strategic goal and use of funding to include Tenant-Based Rental Assistance.
4. Approve the substantial amendment to the 2020-25 Citizen Participation Plan to modify procedures for Public Hearings, Substantial Amendments, and Performance Reporting.
5. Authorize the Chief Executive Officer, Assistant Executive Officer, or Director of Community Development and Housing to execute all documents necessary for the administration and implementation of Community Development Block Grant Single Family Rehabilitation Home Loans.

(Presenter: Carrie Harmon, Director, 382-3983)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES:

Promote the Countywide Vision.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

This item does not impact Discretionary General Funding (Net County Cost). As part of the 2019-20 Annual Action Plan, the U.S. Department of Housing and Urban Development (HUD) issued Community Development Block Grant-Coronavirus (CDBG-CV) funding through the federal Coronavirus Aid, Relief, and Economic Stimulus Act for a total amount of \$8,906,464 to fund a variety of activities in response to the Coronavirus pandemic. Also, as part of the 2024-25 Annual Action Plan, of the 2020-25 Consolidated Plan, HOME Investment Partnerships (HOME) was allocated \$2,000,000 and CDBG \$300,000, for a total of \$2,300,000, toward a Tenant-Based Rental Assistance (TBRA) program. Adequate appropriation and revenue have been included in the Community Development and Housing Department's (CDH) 2024-25 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Since 1975, San Bernardino County (County) has received Community Planning and Development (CPD) grant funding from HUD, specifically for the CDBG, HOME, and Emergency

Solutions Grant (ESG) programs. To acquire these funds, the County must submit a Consolidated Plan to HUD detailing community needs, establishing priorities, and proposing activities over a five-year period. The 2020-25 Consolidated Plan is supplemented annually by an Annual Action Plan outlining the specific projects and activities projected to receive CPD funding in that program year. The 2020-25 Citizen Participation Plan (CPP), a component of the Consolidated Plan, outlines the County's policies and procedures for public involvement in planning, development, implementing, and evaluating CPD fund usage.

Occasionally, substantial amendments to these plans may be necessary to address changing needs or priorities. A substantial amendment is required when adding a new activity, significantly modifying existing activities, or implementing other administrative actions. HUD requires that any substantial amendments undergo the full citizen participation process, receive formal action by the Board of Supervisors (Board), and obtain HUD approval. The proposed substantial amendments will enable the County to revise its 2019-20 Annual Action Plan, 2020-25 Consolidated Plan, and 2020-25 Citizen Participation Plan as outlined below.

The proposed amendment to the 2019-20 Annual Action Plan will add, modify, or cancel existing Participating CDBG Cities' CDBG-CV funded activities due to lack of activity or duplication of program services and redirect these funds to new or existing activities of greater demand. These amendments will ensure the continued effectiveness of the Participating CDBG Cities CDBG-CV funded activities in preventing, preparing for, and responding to the economic impacts of COVID-19 within their communities. The deadline to fully utilize CDBG-CV funds is October 22, 2026. All proposed activities have been reviewed and are expected to meet the expenditure deadline. The proposed funding adjustments for the cities of Adelanto, Big Bear Lake, Grand Terrace, Highland, Montclair and Yucaipa are detailed in Attachment A.

The proposed substantial amendment to the 2020-25 Consolidated Plan will add a new strategic goal focused on providing TBRA through two programs, HOME in the amount of \$2,000,000, and CDBG in the amount of \$300,000, for program administration. TBRA is a rental subsidy program designed to aid homeless and low-income households in meeting housing expenses, including rent and security deposits. The two TBRA programs will help the County achieve the goal outcomes of providing rapid rehousing and housing for homeless by serving approximately 100 households. This adjustment will enable the County to develop and implement a TBRA program to support the transition of homeless individuals and families from emergency shelters to market rate housing. The program goals are outlined in Attachment B.

The proposed substantial amendment to the 2020-25 CPP will modify the County's current requirements for public hearings and Board approvals, particularly for substantial amendments and the Consolidated Annual Performance and Evaluation Report (CAPER) submission. The following proposed modifications comply with HUD's regulatory requirements and will improve the efficiency and timeliness of program execution, ensuring continued program compliance. The complete revised sections can be found in Attachment C.

The County's current CPP provides for a 30-day public comment period and public hearing for substantial amendments. However, a public hearing is not required and often delays the execution of programs and activities. Therefore, to improve efficiency, and as recommended by HUD, the proposed amendment will modify this process by eliminating the public hearing requirement thereby allowing the substantial amendments to be placed on the agenda as a consent item. This will assist the County to meet HUD's grant program timelines. This approach still provides the mandatory 30-day public comment period and Board approval to ensure opportunity for public review and input.

Under the CPD grant programs, HUD requires that the County must hold a minimum of two Public Hearings in a grant program year. Per HUD's requirement, the first Public Hearing must be conducted prior to the final draft of the next grant program year's Annual Action Plan. This allows CDH to receive public comments before the completion of the next program year's Annual Action Plan.

As part of the current CPP, CDH included the CAPER in its first Public Hearing for Board approval. However, HUD's requirement does not necessitate that the CAPER be a part of a Board-approved Public Hearing. The CAPER must be made available for review by notifying the public through a 15-day public advertisement and made accessible at CDH's office and website for a 15-day public comment period. Due to HUD's requirements and deadlines, it is recommended to amend the CPP to exclude the CAPER as part of a Public Hearing. This would improve the grant implementation process and would allow CDH to receive public comment and meet HUD's deadlines.

HUD requires local governing bodies to delegate signature authority to administer and implement grants efficiently and effectively. The signature authority for the CPD grants is periodically reviewed and updated. Any change to the signature authority requires formal Board action.

Recommendation No. 5 updates the delegated signature authority, approved by the Board on May 7, 2024 (Item No. 23), to add delegated signature authority to the Chief Executive Officer, Assistant Executive Officer, or Director of CDH to execute all documents necessary to administer pre-existing CBDG Single Family Home Rehabilitation Loans including but not limited to: Loan Forgiveness, Subordinations, Substitutions of Trustee, Deeds of Reconveyance, Annual Affidavit Letters, Requests for Full Reconveyance, Loan Modifications, Notices of Default, and all procedures to ensure the County's security interests are protected.

Per HUD requirements and the CPP, the proposed substantial amendment underwent a 30-day public review period beginning on June 21, 2024. The County published a public notice in the following publications: Big Bear Grizzly, Daily Press, Hi-Desert Star, Inland Valley Daily Bulletin, La Prensa Hispana, and The Sun. The County also posted notices and any applicable supporting documentation on the County's website. Any comments received during the public comment period will be considered and included in the County's Substantial Amendment submittal to HUD.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on June 5, 2024; Finance (Christopher Lange, Deputy Director, 386-8393) on June 26, 2024; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on June 26, 2024.