

RESOLUTION 2021-57

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA AUTHORIZING AN AMENDED MEMORANDUM OF UNDERSTANDING WITH THE CITY OF HOLLISTER AND SAN BENITO COUNTY TO USE \$231,284 OF COMMUNITY DEVELOPMENT BLOCK GRANT CARES ACT CV2 AND CV3 FUNDS THAT CHANGES THE USE OF FUNDS FROM HOMELESS PUBLIC SERVICES, TO REHABILITATE A FACILITY USED AS THE COUNTY'S HOMELESS SHELTER

WHEREAS, the federal government delegated a portion of its CARES Act relief funds to its various departments, and the Department of Housing and Urban Development ("HUD") received a generous allocation as part of its Community Development Block Grant ("CDBG") program in three intervals referred to as "CDBG-CV1, CV2, AND CV3"; and

WHEREAS, in smaller jurisdiction, HUD delegates the authority to manage these funds to the State, and in California, this is the Department of Community Development ("HCD"); and

WHEREAS, on April 13, 2021, the City Council executed a resolution and appropriated \$63,558 from CDBG CARES ACT V1 authorizing the execution of a regional Memorandum of Understanding ("MOU") between the City of Hollister, San Benito County and San Juan Bautista that will provide subsistence payments to City and County residents that have suffered a loss of income due to the pandemic to them help pay for utility expenses; and

WHEREAS, also on April 13, 2021, the City Council directed staff to bring forward a second Resolution and MOU for the CDBG CARES Act V2 and V3 in the amount of \$231,284 in partnership with the City of Hollister and San Benito County for a total budget of \$1,150,872, to fund various regional homeless services programs as described in the attached MOU; and

WHEREAS, the County submitted two applications to HCD, one for \$300,000 to rehabilitate the Homeless Shelter, and a second for \$850,852 that includes the City's allocation of \$231,284 for homeless public services for a total of \$1,150,872; and

WHEREAS, HCD's deadline to submit these two applications for CDBG CARES Act V2 and V3 funds was May 7, 2021; and

WHEREAS, on October 1, 2021, the City learned that the County had to modify its May 7, 2021 applications to HCD, moving the public service funds to facility renovation, because the services they planned to implement were no longer possible due to the loss of site control where these services would be provided; and

WHEREAS, changing the County's CDBG application has to be done by HCD's deadline of October 31, 2021; and

WHEREAS, at the City Council's regular meeting held on October 19, 2021, it considered a consultant's report stating that HCD, in an informal discussion, agreed that the City could find a new use of for its funds, and also received feedback from the County concerning its needs and the proposed change of use of funds; and

WHEREAS, as described in Staff's October 19, 2021 report, to City Manager spoke with HCD staff October 20, 2021, to verify HCD's position in this matter, and learned that the City could not initiate a new application as the May 7 deadline had passed, but it could assume responsibility for the soon to be abandoned County homeless public services application, or agree to the proposed change of use for the funds moving 100% of the funds to facility renovation; and

WHEREAS, the City does not have the capacity to build a homeless public outreach or service program, and is unable to fulfill the expectations described by the County in their application to HCD for public service funds; and

WHEREAS, at its special meeting held October 26, 2021, the City Council agreed to continue to work with the County and have its portion of \$231,284 used for facility renovation and repair the roof of the homeless shelter that serves the whole County.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE SAN JUAN BAUTISTA CITY COUNCIL AS FOLLOWS:

SECTION 1. That the recitals in this Resolution and accompanying staff report are true and correct and are hereby made a part of this Resolution.

SECTION 2. The City Council of the City of San Juan Bautista, hereby agrees with the terms and conditions set forth in the Amended MOU attached hereto by reference, agrees to continue its partnership with the City of Hollister and San Benito County by changing the use of its \$231,284 CDBG-CV2 and CV3 allocation, from homeless public outreach and services, to renovate the public facility used as a homeless shelter for the whole County for a total County project of \$1,150,872.

SECTION 3. The City Council directs and authorizes the City Manager to prepare and execute the Revised MOU in time for the October 31, 2021 deadline.

PASSED, APPROVED AND ADOPTED this 26th day of October 2021, by the following vote:

AYES: Jordan, Flores, Freeman

NOES: Edge, Freels

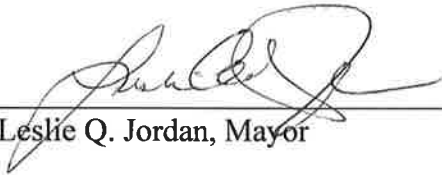
ABSENT: None

ABSTAIN: None

ATTESTED:



Trish Paetz, Deputy City Clerk



Leslie Q. Jordan, Mayor