

RESOLUTION 2022-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA AMENDING THE MEMORANDUM OF UNDERSTANDING APPROVED BY RESOLUTION 2021-16 RELATED TO THE USE OF FEDERAL "CDBG-CV1" FUNDS FOR SUBSISTENCE PAYMENTS FOR UTILITY COSTS FOR THE RESIDENTS OF SAN JUAN BAUTISTA, AND EXPANDING THIS ASSISTANCE TO ALL COUNTY RESIDENTS TO EXPEDITE THE USE OF ALL FUNDS BEFORE THE MAY 2022 DEADLINE

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 program, referred to as "CDBG-CV1"; and

WHEREAS, typically the City of San Bautista, being a city with a population below 50,000 residents, has to compete for CDBG funds through a program administered by the State Department of Housing and Community Development ("HCD"), but due to the State of Emergency caused by the pandemic, HCD has allocated \$63,558 to the City; and

WHEREAS, seventeen percent of the funds (\$10,805) can be used to administer this grant, most larger cities have experienced staff already practicing the federal administrative procedures and processes dictated by the CDBG regulations, but even with this contribution, the City does not have the capacity to efficiently administer this CDBG program; and

WHEREAS, HCD recommends that smaller jurisdictions partner with larger jurisdiction to make efficient use of the funds and to assure compliance with the federal regulations, and requires applications to be received no later than August 31, 2020; and

WHEREAS, the City, City of Hollister and the County executed a memorandum of understanding for each elected body to consider, and staff is proposing that the "MOU" be agreed upon, authorizing the County to administer the CDBG -CV1 grant on behalf of the City (\$63,558), that the administrative costs allowed by the Grant (\$10,805) would pay for County staff to work in San Juan Bautista promoting the program and assuring that City residents receive the benefits intended for them (a net benefit of \$52,750); and

WHEREAS, Resolution 2020-43 signed August 18, 2020 established an MOU between the three jurisdictions for a rental assistance and utility payment program for those adversely impacted by the Pandemic;

WHEREAS, the use of the CDBG funds for rental assistance became ineligible after the State initiated its own rental assistance program, so the MOU was amended by Resolution 2021-16 April 13, 2021, causing the cities of Hollister and the County to amend its CDBG -CV1 funds and MOU for subsistence utility assistance only; and

WHEREAS, as of January 31st 2022, of the \$52,753 budgeted for City residents, \$11,051.56 has been disbursed, leaving a balance of \$41,701.44; and

WHEREAS, in the past three months, the City and County have worked hard to promote the program, and interest has increased, but not a rate that will exhaust the funds before the May deadline;

WHEREAS, if the City funds are not used by the end of May, they will be returned to the State Housing and Community Development Department for use in another County; and

WHEREAS, an amendment to the Resolution 2021-16 that broadens the eligibility for utility assistance from just San Juan Bautista residents to all County residents, will reduce the risk of losing these funds; and

WHEREAS, City residents will continue to be strongly encouraged to take advantage of this opportunity and apply for assistance; and

WHEREAS, amending the MOU by opening San Bautista CARES Act CDBG-CV1 funds to all County residents is the quickest and best way to use these funds within the next 60-days before their use expires in May, and keep the funds in the County rather than returning them to the State for use elsewhere.

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

SECTION 1. That the above recitals are true and correct.

SECTION 2. The City Council of the City of San Juan Bautista, hereby agrees to amend the MOU terms and conditions consistent with the intention of this Resolution to administer a broader subsistence payment for utility assistance program with this CDBG-CV1 allocation from just City residents, to all County residents.

SECTION 3. The City Council directs and authorizes the City Manager to prepare and execute an amended MOU as soon as possible to expedite the use of the funds before they expire.

PASSED, APPROVED AND ADOPTED this 15th day of February, 2022, by the following vote:

AYES: Jordan, Edge, Flores, Freels, Freeman

NOES: None

ABSENT: None

ABSTAIN: None



Leslie Q. Jordan, Mayor

ATTESTED:



Trish Paetz, Deputy City Clerk