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4/13/2016	1	City Council	approved	Pass

City Council

MEETING DATE: 4/13/2016

TITLE:

Substantial Amendment to the Community Development Block Grant (CDBG) Fiscal Year 2015 -2016 Annual Action Plan

FROM:

John A. Corella, P.E. - City Engineer

RECOMMENDATION:

Staff recommends that the City Council consider and approve a Substantial Amendment to the CDBG Fiscal Year (FY) 2015 - 2016 Annual Action Plan to reprogram project funds from the San Joaquin Drive Street Improvements Project to the Ortega Road Sidewalk Design Project and the ADA Ramp Improvements Project; and authorize the City Manager (or designee) to submit the Substantial Amendment to the U.S. Department of Housing and Urban Development (HUD) for their review and record.

BACKGROUND:

For FY 2014-2015, San Joaquin Drive was identified as needing rehabilitation and installation of sidewalk on its east side for better pedestrian circulation. CDBG funds were utilized to conduct an engineering study and complete a design to identify the challenges of relocating utilities, fences and mailboxes within the City's right-of-way to install a sidewalk along the east side of San Joaquin Drive. This study and the design have since been completed.

In FY 2015-2016, CDBG funds were programmed to construct the sidewalk along the east side of San Joaquin Drive. However, due to changes in HUD's database for qualifying low and moderate

Census Tract Block Groups, the Dream Homes neighborhood where the San Joaquin Project is located, no longer qualifies to receive CDBG funding assistance. In order to allocate CDBG funding to a public improvement project, the Block Groups or areas must be at least 51% percent low and moderate income (LMI). With the new changes, Census Tract 447.02 (Dream Homes) is 48% LMI. As a result of these new changes, City Staff has been in communication with the Los Angeles HUD Field Office and has met with HUD Staff to discuss how the information in their database was compiled and extrapolated. City Staff is certain that the data results calculated for this area is in error. Staff recommended to HUD Staff that the data and calculations for the Dream Homes be reviewed. HUD Staff agreed and is currently investigating the matter.

During this HUD investigation, the City is mandated to maintain its spending ratio in order to be in "good standing" with HUD. Under the CDBG Program, the City is also required to spend its 2015 allotment by June 2016, before the next FY. As a result, City Staff is recommending and requesting approval from the City Council to reprogram the CDBG funding from the San Joaquin Drive Street Improvements Project to the Ortega Road Sidewalk Design Project and the ADA Ramp Improvements Project for this FY.

DISCUSSION:

Each year, the City submits to HUD a One-Year Action Plan that describes the activities and the financial resources it will use to meet the City's affordable housing and community development needs.

When a substantial change (programmatic or financial) is proposed to any activity within the Annual Action Plan, HUD requires the City to conduct a public hearing to allow the public an opportunity to comment on the proposed substantial change.

The City proposes to substantially amend its 2015-2016 Annual Action Plan to reprogram a portion of the CDBG funds from the San Joaquin Drive Street Improvements Project to the Ortega Road Sidewalk Design Project and the ADA Ramp Improvements Project.

The engineering design for the proposed north side of Ortega Road was not part of the recent Safe Routes to School project due to limited funds. This north side of Ortega Road remains unpaved and is without full width pavement, curb, gutter and sidewalk. CDBG funding will be used for the engineering design to install the facilities that will provide the proper elevation and drainage for this segment of Ortega Road. The installation of sidewalk will also provide residents and children with an additional safe path of travel for children walking to and from school and to the new Ocotillo Park.

Under the CDBG Program, ADA improvements meet the national objective criteria and are classified as an "urgent need" for people with disabilities. The City is proposing to reallocate the remaining CDBG funding from the San Joaquin Street Improvements to fund the installation and/ bring into compliance ADA ramps along portions of 30th Avenue, McCallum Way and Vista Chino. These ADA improvements will make it accessible for people with disabilities to travel along these portions of 30th Avenue, McCallum Way and Vista Chino.

This proposed substantial amendment to the FY 2015-2016 Annual Action Plan will allow for adjustments to the Annual Action Plan so that this project is properly accounted for within the FY in which the federal funds were made available and reprogram dollars to new activities that were not previously mentioned within this plan.

The San Joaquin sidewalk project will continue to be a priority for the City. Staff is currently working to identify alternate funding sources, including Measure A funds, that can be used to allow the project to proceed.

ENVIRONMENTAL ANALYSIS: In accordance with 24 CFR 58 of the National Environmental Protection Act (NEPA), each project assisted with federal funds must be evaluated to determine whether they are subject to environmental regulations. The environmental review of the proposed Ortega Road Sidewalk Design and the ADA Ramp Improvements will be prepared and uploaded onto the HUD Environmental Review Online System (HEROS) once the Substantial Amendment has been approved by City Council.

PUBLIC NOTIFICATION: When a Substantial Amendment (i.e. adding an activity, canceling an activity or redirecting funds) is proposed to the City Action Plan, the City requires that the public be notified and a public hearing be held to allow the public an opportunity to comment on the proposed Substantial Amendment. City staff published a public notice announcing these amendments in the March 4th edition of the Desert Sun. The public notice period ran from March 7, 2016 through April 11, 2016 (for 36 days). During this public notice period, Cathedral City residents are encouraged to participate and provide feedback regarding the Substantial Amendment and reallocation of funds.

FISCAL IMPACT:

Approval of the Substantial Amendment will have no adverse fiscal impact to the City's General Fund. The City will redirect \$117,512 in Community Development Block Grant (CDBG) funds that were allocated to the San Joaquin Drive Street Improvements Project to the Ortega Road Sidewalk Design Project (\$12,000) and ADA Ramp Improvements Project (\$105,512).

ATTACHMENTS:

FY 2015 - 2016 CDBG Annual Action Plan Substantial Amendment