

TO: James L. App, City Manager

FROM: Bob Lata, Community Development Director

SUBJECT: Amendment of 2002 and 2004 Annual Action Plans for the Community Development Block Grant (CDBG) Program and Appropriation of CDBG funds

DATE: November 2, 2004

Needs: For the City Council to conduct a noticed public hearing and amend the 2002 and 2004 Annual Action Plans for the City's 2004 Community Development Block Grant (CDBG) Program. The proposed amendment would enable unused 2002 CDBG funds to be reprogrammed to the LED-Lighted Crosswalk Project at 24th and Oak Streets and a portion of 2004 CDBG funds to be used for the same purpose.

Facts:

1. A total of \$50,000 in 2002 and 2003 CDBG funds were allocated to install an LED-Lighted Crosswalk at the intersection of 24th and Oak Street. Of that amount, \$7,600 has been spent for design and bidding costs.
2. The design engineer estimated that the cost of installing the LED-Lighted Crosswalk would be \$41,000, and the \$50,000 budget appeared to be sufficient.
3. Bids were opened (for the second time) on September 15. Only one bid was received for \$74,900. If the Council wishes to award this bid, \$36,300 in additional CDBG funds need to be appropriated.
4. The proposed \$36,300 reallocation would take the needed funds from other projects (\$20,600 in unused funds from the 28th Street Improvement Project and \$15,700 from the LED-Lighted Crosswalk at 34th and Spring Streets).
5. Federal regulations governing the CDBG Program provide that reprogramming of funds in such a manner that a programmed activity is eliminated (e.g., 28th Street Improvements) or if funds are to be used in a different location than stated in the resolution allocating funds (e.g., allowing 2004 CDBG funds to be used at 24th and Oak in addition to 34th and Spring), the affected Annual Action Plans must be amended at a public hearing for which 30 days notice has been given.
6. A public hearing on the Amendment of the 2002 and 2004 Annual Action Plans has been set for the Council's meeting of November 2, 2004. A notice of the public hearing (copy attached) was published in the *Paso Robles Press* on September 29.
7. The Annual Action Plan is an annually-updated chapter of a larger "Consolidated Plan", which is a 5 year plan required by federal regulations governing the CDBG, HOME and Emergency Shelter Grant Programs.
8. Since the Consolidated Plan and Annual Action Plans are adopted by the County, the Board of Supervisors must also act on the proposed amendment to the Annual Action Plans. They are scheduled to do so at their meeting of November 16, 2004.

9. Council consideration of award of bid for the LED-Lighted Crosswalk at 24th and Oak Streets is scheduled for November 16, after the Board of Supervisors has taken action to approve the amendments.

Analysis and
Conclusion:

The proposed amendment of the 2002 Annual Action Plan enables the \$20,600 in unused 2002 CDBG funds to be reprogrammed to the LED-Lighted Crosswalk at 24th and Oak Streets.

The proposed amendment of the 2004 Annual Action Plan is proposed to be worded so that an unspecified portion of the \$48,200 allocated to the LED-Lighted Crosswalk at 34th and Spring Streets could be used for the LED-Lighted Crosswalk at 24th and Oak Streets (i.e., the \$48,200 could be used for either or both projects, not solely the 34th and Spring Street Project). It is expected that as much as \$15,700 will be needed to cover design, bidding, contract costs plus a 5% contingency.

Based on the bid prices received for the LED-Lighted Crosswalk at 24th and Oak (\$59,500 and \$69,580 in May and \$74,900 in September), the \$48,200 allocated in 2004 would not have been enough by itself to complete a project. An allocation of 2005 CDBG funds would be necessary to complete the 34th and Spring Street project.

Policy

Reference: Federal regulations for the Community Development Block Grant Program

Fiscal

Impact: No impact to the City's General Fund.

Options:

Upon completion of a public hearing, take one of the following actions:

- a. Adopt Resolution No. 04-xx, which would (1) amend the 2002 Annual Action Plan to reprogram the \$20,600 in 2002 CDBG funds from the 28th Street Improvements Project to the LED-Lighted Crosswalk Project; (2) amend the 2004 Annual Action Plan to allow the \$48,200 for the LED-Lighted Crosswalk Project to be spent on either or both of the signals at 24th and Oak Streets and 34th and Spring Streets; and (3) re-appropriate CDBG funds as necessary to accomplish these objectives.
- b. Amend, modify or reject the forgoing option.

Prepared By:

Ed Gallagher
Housing Programs Manager

Attachments:

1. Resolution adopting Option "a"
2. Newspaper Notice
3. Public Notice for the County Board of Supervisors

RESOLUTION NO. 04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AMENDING THE 2002 AND 2004 ANNUAL ACTION PLANS FOR THE CITY'S
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND
RE-APPROPRIATING CDBG FUNDS

WHEREAS, the City has been notified by the Federal Department of Housing and Urban Development (HUD) that it is entitled to receive Community Development Block Grant (CDBG) funds; and

WHEREAS, via a Cooperation Agreement with the County of San Luis Obispo (hereafter referred to as ("County")) executed on July 16, 2002, the City waived its individual entitlement status for a period of three years in order that the County and the cities located therein may qualify as an "Urban County"; and

WHEREAS, via the Cooperation Agreement, the City retains the authority to determine which projects are to be funded with its allotment of CDBG funds; and

WHEREAS, in 2002, via Resolution 02-38, the City Council allocated \$20,610 in CDBG funds to design street improvements for the north side of 28th Street, adjacent to the proposed Oak Park Senior Housing Project; and

WHEREAS, in 2002, via Resolution 02-156, the City Council appropriated \$20,600 in CDBG funds for the 28th Street Improvement Project to Account No. 227-910-5452-340; those funds have been carried over to Fiscal Year 2004/2005; and

WHEREAS, the Paso Robles Non-Profit Housing Corp., the developers of the proposed Oak Park Senior Housing Project, contracted with an engineering firm to prepare the street improvement design before the CDBG funds were available, and in doing so, invalidated the use of CDBG funds for that purpose and decided to use other funds to design the street improvements; and

WHEREAS, a total of \$50,000 in 2002 and 2003 CDBG funds were allocated to install an LED-Lighted Crosswalk at the intersection of 24th and Oak Street; of that amount, \$7,600 has been spent for design and bidding costs; and

WHEREAS, based on bids received for the LED-Lighted Crosswalk at 24th and Oak Streets, it appears that an additional \$36,300 will be needed to be allocated and appropriated to this project; and

WHEREAS, in 2004, via Resolution 04-45, the City Council allocated \$48,220 in CDBG funds to install an LED-Lighted Crosswalk at Spring and 34th Streets; and

WHEREAS, in 2004, via Resolution 04-166, the City Council appropriated \$48,200 in CDBG funds for the LED-Lighted Crosswalk at Spring and 34th Streets to Account No. 227-910-5452-529; and

WHEREAS, both the 28th Street Improvements and LED-Lighted Crosswalk are located in Census Tract 101, in which more than 51 percent of the residents are of "low and moderate income" (i.e., households that earn 80 percent or less of the area median income), and are/were activities that served the National Objectives of benefit to persons of low and moderate income; and

WHEREAS, on September 29, 2004, the City published a notice in the *Paso Robles Press*, stating the nature of the proposed amendments to the 2002 and 2004 Annual Action Plans and indicating that the City Council would conduct a public hearing to consider the amendments on November 2, 2004; and

WHEREAS, at its meeting of November 2, 2004, the City Council conducted a public hearing to obtain public testimony on the proposed amendments to the 2002 and 2004 Annual Action Plans.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles, California, as follows:

SECTION 1: The Board of Supervisors for the County of San Luis Obispo is hereby requested to amend the 2002 and 2004 Annual Action Plans, as follows:

1. The 2002 Annual Action Plan is amended to eliminate the 28th Street Improvements (Design) activity, and reallocate the \$20,610 to the LED-Lighted Crosswalks Project, which is also described in the 2002 Annual Action Plan. The 28th Street Improvements (Design) activity will be carried out by the Paso Robles Nonprofit Housing Corp. with an alternative source of funds.
2. The 2004 Annual Action Plan is amended to provide that a portion of the \$48,220 allocated to the LED-Lighted Crosswalk proposed to be located at the intersection of Spring and 34th Streets may also be spent to install an LED-Lighted Crosswalk at the intersection of 24th and Oak Streets.

SECTION 2: To re-appropriate CDBG funds as follows:

1. \$20,600 is hereby re-appropriated from Account No. 227-910-5452-340 (28th Street Improvements) to Account No. 227-910-5452-341 (LED-Lighted Crosswalk at 24th and Oak Streets).
2. \$15,700 is hereby re-appropriated from Account No. 227-910-5452-529 (LED-Lighted Crosswalk at 34th and Spring Streets).to Account No. 227-910-5452-341 (LED-Lighted Crosswalk at 24th and Oak Streets).

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 2nd day of November 2004 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk