Meeting Date: 10/27/2009

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☒ Public Hearing (Info/consent)
☐ Other _____	☐ Other

Prepared By: Juliette Dang, Grants Coordinator JD Agenda Item No. K-1

Reviewed By: City Manager City Attorney Finance Other *(Specify)*

DATE: October 14, 2009

TO: City Council

FROM: Norma J. Owens, Grants Manager
Finance Department/Grants Management Division

SUBJECT: **Fourth Amendment of the FY 2008-2013 Consolidated and FY 2008-2009 Annual Action Plan (The Plans) to change the activities to be funded under the Community Development Block Grant (CDBG-R) Program**

RECOMMENDATION

That City Council:

1. Conduct a public hearing to receive comments on the proposed Fourth Amendment to The Plans.
2. Approve a change in activities from Campus Park Gymnasium to Bartolo Square North Neighborhood Water Main Line (Bartolo Square North) and Program Administration.
3. Approve the appropriation of $662,213 for Bartolo Square North, and $73,579 for the Administration of the CDBG-R.
4. Authorize the City Manager to submit the substantial amendment to the U. S. Department of Housing and Urban Development (HUD) for approval.
5. Authorize the Chief Financial Officer, or designee, to approve the Special Budget Appropriation.

DISCUSSION

Background

The City Council approved the first amendment to The Plans on October 14, 2008 to change the allocation of funding between projects. The second amendment was approved by Council on April 21, 2009 to recognize an allocation of $1,124,994 in Homeless Prevention and Rapid Re-Housing Program funding from the American Recovery Reinvestment Act (ARRA) of 2009 signed into law on February 17, 2009. The third amendment was approved by City Council on June 2, 2009 to recognize an allocation of $735,792 in CDBG-R funding from ARRA.

On May 5, 2009, HUD provided the criteria to be used when selecting a project for the CDBG-R funding. The CDBG-R award requires, by regulations, the following:

- Grantees are required to submit a substantial amendment to the FY 2008-2009 plans and identify, upfront, the specific activities or projects intended to be funded with the CDBG-R dollars.

- Grantees are urged to use the funds for hard development costs associated with activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings.

- In selecting CDBG-R projects to be funded, priority shall be given to projects that can award contracts based on bids, within 120 calendar days from the date the funds are made available to recipients.

- When CDBG-R funds are being used for infrastructure investments, grantees shall give preferences to activities that can be started and completed expeditiously, including a goal of obligating at least 50% of the funds for activities that can be initiated not later than 120 calendar days after February 17, 2009.

- Also, HUD requires the City to submit proposed project descriptions to the Los Angeles Regional Office in conjunction with completing the special citizen participation process by June 5, 2009.

On June 2, 2009, based on the criteria noted above, staff requested the approval from the City Council to submit the CDBG-R application with a recommendation to provide all of the available funding to the Campus Park Gymnasium Rehabilitation Project. Council approved the amendment.

On June 3, 2009, HUD informed all jurisdictions that park projects would not be eligible for CDBG-R funding. Staff was instructed to continue with the submittal of the formal application as written. This action allowed the City to meet the submission deadline of June 5, 2009. HUD rejected the submission of the third amendment based on the non-eligibility of park rehabilitation. Thus, the City is required to re-submit a new and eligible project.

Public Works was contacted and an assessment of alternative projects that would meet HUD's criteria was determined: construction and installment of new polyvinyl chloride (PVC) water main pipe lines and removal of existing corroded cast iron pipes, located in the Bartolo Square North neighborhood. Previously, on March 3, 2009, the City Council approved the submitted plans and specifications by Public Works and authorized a bid solicitation and contract award for the Bartolo Square North Phase I project, including a water pipe replacement component. After receiving concurrence from HUD, the revised project was submitted on June 23, 2009 and approved by HUD on August 19, 2009. The agreement was executed and returned to HUD in September.

In anticipation of HUD issuing an agreement for the CDBG-R funding and to meet the shortened deadlines for project completion, project costs for the water pipe project were determined in a separate bid and released in August 2009. The Bartolo Square North Water Services Improvement project is expected to cost well under the initial requested funding of $662,213 included in this amendment. HUD allows up to 10% of the grant to be used for CDBG-R program administration; therefore $73,579 is included in this amendment.

FINANCIAL IMPACT

The CDBG-R funding does not require a local match and will not result in new permanent positions. The Special Budget Appropriation (Attachment 3) will appropriate CDBG-R funds in the amount of $735,792.

Attachment #1 - Notice of 7-day Public Review
#2 - Amendment packet to HUD
#3 - Special Budget Appropriation

Note: Attachment #2 has been provided to City Council under separate cover. Copies for review are available at the Help Desk in the Library after 6:00 p.m. on Thursday prior to the Council meeting and in the City Clerk's Office after 8:00 a.m. on Friday prior to the Council meeting.

CITY OF OXNARD
NOTICE OF 7-DAY PUBLIC REVIEW
FOURTH AMENDMENT OF THE FY 2008-2013 CONSOLIDATED PLAN
AND THE FY 2008-2009 ANNUAL ACTION PLAN

NOTICE IS HEREBY GIVEN that the City has prepared the Fourth Amendment of the Fiscal Years 2008-2013 Consolidated Plan, and the Fiscal Year 2008-2009 Annual Action Plan (The Plans).

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law. Included in the ARRA was an allocation of $735,792 to the City of Oxnard, under the Community Development Block Grant Program (CDBG-R) for FY 2008-2009.

The U.S. Department of Housing and Urban Development (HUD), the Administrator of the CDBG-R funds, requires at least a 7-day public review period and a submission of a substantial amendment and other required documents for the FY 2008-2009 Annual Action Plan. The publication of this notice begins the public review period which will start on Monday, October 19, 2009 and conclude at 5:00 p.m. on Monday, October 26, 2009.

NOTICE IS HEREBY FURTHER GIVEN that the fourth amendment will be presented to the City Council for approval on the following date:

DATE: **October 27, 2009**
LOCATION: **305 West Third Street, Oxnard, California 93030**
City Council Chambers
TIME: **7:00 PM, or as soon thereafter as possible.**

At this meeting, the City Council will receive public comments on the use of the $735,792 in CDBG-R funds. The intent of the CDBG-R is to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. Jurisdictions are expected to use the CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings.

The City proposes to use the funds to replace water pipe lines in the Bartolo Square North Neighborhood ($662,213) and for administration of the CDBG-R Program ($73,579). Once the amendment of The Plans has been adopted by City Council, it will be submitted for approval by HUD.

PUBLIC COMMENTS

Copies of the amended pages of the Consolidated Plan and the Annual Action Plan will be available for public review at the following locations:

City of Oxnard Main Library
251 South "A" Street

City of Oxnard City Clerk's Office
305 West Third Street, First Floor

City of Oxnard Finance Department
300 West Third Street, Suite 302

The public is invited to submit written comments on the proposed amendment. All written comments related to this Amended Consolidated Plan and Annual Action Plan are to be submitted to the Grants Management Division of the Finance Department, **no later than 5:00 p.m., on October 26, 2009.**

Questions and written comments may be addressed to the following:

Norma Owens, Grants Manager
City of Oxnard, Finance Department
300 West Third Street, Suite 302
Oxnard, CA 93030
(805) 385-7477

ATTACHMENT NO. 1
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CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager: October 27, 2009

Request is hereby made for an appropriation of total . . . . . $ 735,792

Reason for appropriation: Appropriation of CDBG-R funding for Bartolo Square North Neighborhood

FUND	DESCRIPTION/ACCOUNT	AMOUNT
CDBG-R	Project #033115 - Bartolo Square North Neighborhood	
286	286-3147-531.72-01- Federal Grant Revenue	(735,792)
	286-3147-826-8604 - Capital Outlay/Improvement, not building	662,213
	286-3147-803-8001 - Personnel Services/Direct Labor	73,579
	Net Estimated Change to CDBG-R Fund Balance	0

James Cameron
Manager

REQUIRES CITY COUNCIL APPROVAL

CHIEF FINANCIAL OFFICER

James Cameron

Disposition

Approved _____

Rejected _____

Transfer by Journal Voucher _____

_____
City Manager

ATTACHMENT #3
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