



# City of Rialto

## Legislation Text

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File #: 20-0347, Version: 1

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For City Council Meeting [May 12, 2020]

TO: Honorable City Council

APPROVAL: Rod Foster, City Manager

FROM: Stephen Erlandson, Deputy City Manager

Request City Council to Conduct the continued Public Hearing to Consider and Make any Modifications Deemed Appropriate and Subsequently Approve the City's Substantial Amendment to the 2018-2019 Community Development Block Grant (CDBG) Consolidated Plan One-Year Action Plan.

**(ACTION)**

### **BACKGROUND**

The U. S. Department of Housing and Urban Development (HUD) requires that the City prepare and submit a Consolidated One-Year Action Plan if it receives Federal funding under one or more of the following programs: Community Development Block Grant (CDBG), HOME, Housing for People With AIDS (HOPWA), and Emergency Solutions Grant (ESG). As a reminder to Council, being a recipient of CDBG funds, the City prepared a One-Year Action Plan for program year 2018-2019 that was approved by the City Council and submitted to HUD.

The City of Rialto received \$1,213,948 of Community Development Block Grant (CDBG) funds by the U.S. Department of Housing and Urban Development (HUD) for the 2018 -2019 Program Year. On March 24, 2020 Public Works Staff proposed to the Council's CDBG Committee to formally reduce the 2018-2019 Community Center ADA Building and Tenant Improvements Project budget by \$103,486 and allow for reprogramming of that amount to the capital improvement project budget identified as 2018-2019 Bud Bender Ball Park Sideline Fence Project.

The dollars proposed in the substantial amendment are capital improvement funds that have previously been allocated to the City's Community Center ADA Building and Tenant Improvements budget. A chronology and analysis is as follows:

- In review of its proposed project budgets the City's Public Works staff identified a shortfall in the budget for the Bud Bender Park Sideline Fence Project. This shortfall is a result of the bids received by the City coming in higher than the designer's (Community Works Design Group) cost estimate.
- The award of the contract for the Bud Bender Park Sideline Fence Project occurred on December 10, 2019. At that point in time, the project budget contained \$88,339 in CDBG funding, well below the contractor's bid of \$178,765.

- Public Works staff presented a request to the Council CDBG Subcommittee March 24, 2020 to reallocate \$103,486 from the Community Center ADA Building and Tenant Improvements Project budget to cover the shortfall and unforeseen contingencies, which there are none at this point, to facilitate completion of the project.
- The Community Center ADA Improvements Project has sufficient funds to complete construction at the Johnson Center, Building 200, but not enough remaining funding to construct improvements to any of the remaining buildings at the Center. Outside of the proposed CDBG reallocation, Building 300 costs are recommended for funding as part of the CDBG FY 2020-21 Action Plan.
- Future CDBG funding will be requested to complete the improvements to Building 400 and 500 at the Johnson Center in subsequent years. As such, Public Works staff recommended reallocating this funding source to the Bud Bender Park Sideline Fence Project to provide the funding needed to complete the project
- These proposed funds within the substantial amendment are restricted and part of a set of dollars to be spent on capital improvement projects and cannot be used in other categories such as program administration or public services as the City has already maximized its allowable percentages in its subsequent 2019-2020 program year, and its upcoming 2020-2021 program year.

In summary, the transfer of CDBG funding from the Community Center ADA Improvements Project to the Bud Bender Park Sideline Fence Project, if approved by Council, will require a future appropriation to the Community Center ADA Improvements Project budget to complete the current scope of the project.

### **ANALYSIS/DISCUSSION**

As a prerequisite to receiving its annual CDBG allocation, the City is required to submit a One-Year Action Plan to the U.S Department of Housing and Urban Development (HUD). The Action Plan delineates Rialto's plan for the use of its 2018-2019 Community Development Block Grant (CDBG) funds. It describes the resources available for program implementation; activities to be undertaken during Fiscal Year 2018-2019; a monitoring plan; the City's homeless and anti-poverty strategies; and coordination efforts that have or will be undertaken to implement the Action Plan.

The Consolidated One-Year Action Plan, for Fiscal Year 2018-2019, provided recommendations for funding by the Rialto Community Development Block Grant (CDBG) Council's CDBG Committee. The recommendation of the Council's CDBG Committee set forth is for the formal reduction in the 2018-2019 Community Center ADA Improvements Project budget by \$103,486, which reallocates Community Services Johnson Center Buildings 400 and 500 construction funds, and allows for reprogramming of that available amount of \$103,486 to the capital improvement project budget identified as 2018-2019 Bud Bender Ball Park Sideline Fence Project.

A public hearing before the City Council is required to allow citizens to comment on the proposed

Substantial Amendment to the City's 2018-2019 Consolidated Plan One-Year Action Plan. In addition, the draft Substantial Amendment to the One-Year Action Plan was made available to the general public in order to provide them with an opportunity to review the recommendation for funding. In compliance with the City's approved Citizen's Participation Plan and CDBG implementing regulation 24 CFR 92-105, a Public Notice was published to solicit public comments from interested citizens and to consider and approve the Substantial Amendment to the City's 2018-2019 Consolidated Plan One-Year Action Plan. The public hearing was noticed for April 28, 2020 at 6:30 p.m. at City Council Chambers, 150 N. Palm Avenue, Rialto, CA 92376 (see attached notices). That public hearing was held, and the tab item was discussed and determined to be continued to the next available City Council meeting to be held on May 12, 2020.

### **ENVIRONMENTAL IMPACT**

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA).

### **GENERAL PLAN CONSISTENCY**

Complies with the following Rialto General Plan Guiding Principle:

Our Government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

### **LEGAL REVIEW**

The City Attorney has reviewed and supports this staff report

### **FINANCIAL IMPACT**

#### **Operating Budget Impact**

The funding available for reprogramming to identified capital improvement projects in the City's 2018-2019 Consolidated Plan One-Year Action Plan totaling \$103,486 will come from the City's Public Works Department request to formally reduce the 2018-2019 Community Center ADA Improvements Project budget by that amount and allow for reprogramming of that available \$103,486 to the capital improvement project budget identified as 2018-2019 Bud Bender Ball Park Sideline Fence Project. Upon approval of the City's Substantial Amendment No.1 to the 2018-2019 Annual Plan, funds equal to this amount will be available to the City to be reprogrammed to capital improvement project identified as the Bud Bender Ball Park Sideline Fence Project.

### **RECOMMENDATION**

It is the recommendation of staff that the City Council conduct the continued public hearing, to solicit public comments from interested citizens, and to consider and make any modifications deemed appropriate and subsequently approve the City's Substantial Amendment to the 2018-2019 Community Development Block Grant (CDBG) Consolidated Plan One-Year Action Plan.

