



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: APRIL 6, 2021**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARDS: ALL**

DEPARTMENT

SUBJECT: PROPOSED AMENDMENT TO THE CITY OF RIVERSIDE 2017-2018 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ANNUAL ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM TO UNALLOCATE UNUSED OR REMAINING CAPITAL IMPROVEMENT PROJECT FUNDS

ISSUE:

Approve an amendment to the 2017-2018 United States Department of Housing and Urban Development Annual Action Plan to unallocate remaining or unused funds from completed Capital Improvement Projects.

RECOMMENDATIONS:

That the City Council:

1. Authorize an amendment to the 2017-2018 United States Department of Housing and Urban Development Annual Action Plan to reduce the allocations of the following previously approved Capital Improvement Projects in the aggregate amount of \$213,044: Bordwell Park Nati Fuentes Centro de Ninos Flooring from \$248,299 to \$88,200, and Hulen Place Tenant Improvements from \$115,000 to \$62,055; and
2. Authorize the City Manager, or his designee, to sign all documents and instruments necessary to implement this action, including making minor non-substantive changes if necessary.

BACKGROUND:

On May 9, 2017 the City Council adopted the 2017-2018 United States Department of Housing and Urban Development (HUD) Annual Action Plan. This plan allocated Community Development Block Grant (CDBG) funds to various projects for the 2017-2018 project year. On June 2, 2020 the City Council adopted the 2020-2024 Citizen Participation Plan. Under the Citizen Participation Plan any CDBG projects which have more than 10% of their original allocation remaining unused at completion must be presented to the public before the remaining funds can be unallocated for future use. The proposed amendment to this Annual Action Plan will modify the allocations of two capital improvement projects with more than 10% of their original allocations remaining so the projects can be closed, and the funds can be released to the Unprogrammed Funds account for future capital improvement or economic development projects.

DISCUSSION:

The Parks, Recreation and Community Services project to replace the flooring at Nati Fuentes Centro de Niños located at Bordwell Park was completed in 2020. The project was completed significantly under budget and the remaining funds are no longer needed.

The General Services Department completed an exterior, parking lot, and roof improvement project at 2881 Hulen Place. The Office of Homeless Solutions has proposed using that facility as Bridge Housing for the homeless and has received a funding allocation to complete interior remodeling and improvements to that site. The remaining Tenant Improvement project funds allocated to General Services are no longer needed.

The proposed amendment to the HUD 2017-2018 Annual Action Plan will officially reduce the allocation amounts of the capital improvement projects to the amounts that were used on qualifying expenses during construction and allow the City to close the projects with HUD.

Project	2017-2018 Allocation	Amount Used	Remaining Balance
Bordwell Park Nati Fuentes Centro de Niños Flooring	\$248,299	\$88,200	\$160,099
Hulen Place Tenant Improvements	\$115,000	\$62,055	\$52,945
Total			\$213,044

A public notice was issued announcing the proposed amendment to the 2017-2018 HUD Annual Action Plan and a 30-day public comment period was provided in compliance with HUD regulations. The original notice was published in the Press Enterprise on Saturday, March 6, 2021 and included the date this action would be considered by the City Council.

The Parks, Recreation and Community Services Director and the General Services Director concur with the recommendations of this report.

FISCAL IMPACT:

There is no net fiscal impact as a result of this action. Unallocated funds will be moved from the projects in the following table to the CDBG Fund's Unprogrammed Funds account so the funds can be repurposed and used for eligible CDBG Capital Improvement Projects. These funds were previously approved and allocated as part of the HUD Annual Action Plan process on May 9, 2017.

Source	Account	Amount
Bordwell Park Nati Fuentes Centro de Niños Flooring 2017-2018 CDBG Appropriation	9267400- 440120	\$160,099
Hulen Place Tenant Improvements 2017-2018 CDBG Appropriation	9266900- 440110	\$52,945
Amount to be added to CDBG Unprogrammed Funds Account	2835100-453001	\$213,044

Prepared by: David Welch, Community & Economic Development Director

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Kristi J. Smith, Interim City Attorney