



City Council Staff Report

DATE: May 27, 2009

PUBLIC HEARING

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT 2009-2010 ANNUAL ACTION PLAN SUBSTANTIAL AMENDMENT AND CDBG-RECOVERY BUDGET APPROVAL; AUTHORIZATION FOR SUBMISSION TO THE UNITED STATES DEPARTMENT OF HOUSING & URBAN DEVELOPMENT IN THE AMOUNT OF \$135,800, FOR THE FISCAL YEAR 2009-2010, COMMUNITY DEVELOPMENT BLOCK GRANT-RECOVERY PROGRAM AND, AUTHORIZING THE CITY MANAGER TO EXECUTE ALL SUBRECIPIENT AGREEMENTS.

FROM: David H. Ready, City Manager

BY: Department of Community & Economic Development

SUMMARY

This action approves the 2009-2010 Community Development Block Grant – Recovery (CDBG-R) Budget and the 2009-2010 Annual Action Plan Substantial Amendment. The resolution also authorizes the City Manager to execute all agreements with U.S. Department of Housing & Urban Development (HUD) as well as the CDBG-R program's subrecipients, including City Departments. The 2009-2010 Annual Action Plan Substantial Amendment is prepared by the City in response to requirements set forth by the HUD which mandates that local governments receiving federal housing and community development assistance must prepare a coordinated strategy each year that links its annual plan to its 2005-2010 Consolidated Plan, which is the blueprint for community development activity in the City.

RECOMMENDATION:

- 1) Open the Public Hearing for public testimony;
- 2) Approve Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING THE 2009-2010 COMMUNITY DEVELOPMENT BLOCK GRANT ANNUAL ACTION PLAN SUBSTANTIAL AMENDMENT; APPROVING THE COMMUNITY DEVELOPMENT BLOCK GRANT-RECOVERY BUDGET FOR FISCAL YEAR 2009-2010; AUTHORIZING THE SUBMITTAL OF THE SUBSTANTIAL AMENDMENT AND BUDGET TO THE UNITED STATES DEPARTMENT OF HOUSING & URBAN DEVELOPMENT; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROVAL/AGREEMENT WITH UNITED STATES DEPARTMENT OF HOUSING & URBAN DEVELOPMENT";
and

Item No. **1.C.**

- 3) Authorize the City Manager to execute the Agreement with the U.S. Department of Housing & Urban Development (HUD); and
- 4) Authorize the following City Departments' Memoranda of Understanding in a form acceptable to the City Attorney and authorize the City Manger to execute all necessary documents:

City of Palm Springs Department of Parks & Recreation –
JOJ Desert Highland Unity Center Energy-Efficient Improvements \$62,220 A ____

City of Palm Springs Department of Parks & Recreation –
JOJ Desert Highland Unity Center Fencing & Tot-Lot Playground \$60,000 A ____

STAFF ANALYSIS:

The American Recovery and Reinvestment Act of 2009 (ARRA or "Recovery Act") was signed into law by President Obama on February 17, 2009. The Act includes measures to modernize our nation's infrastructure and invest in our homes and communities.

The Recovery Act includes \$13.61 billion for projects and programs administered by HUD to generate jobs and help families and communities hardest hit by the economic crisis. The City of Palm Springs will receive a direct award from HUD through the Recovery Act in Community Development Block Grant – Recovery (CDBG-R) program funds. This CDBG-R funding is separate from the regular, entitlement CDBG grant that the City receives every year and is a supplemental allocation. The Recovery Act allocated \$135,800 in CDBG-R funds to the City.

Under the Recovery Act, grantees are to carry-out, on an expedited basis, eligible activities under the CDBG program to assure that funds are in communities assisting in economic recovery. In accordance with the Act that CDBG-R funds used for infrastructure projects, grantees must obligate 50% of the funds within 120 days of the Act's enactment (June 17, 2009) and recipients shall give priority to projects that can award contracts based on bids within 120 days of HUD's executed Grant Agreement.

HUD is treating the City's use of its CDBG-R grant to be a substantial amendment to its current Five-Year Consolidated Plan and the Program Year 2009-2010 Annual Action Plan, recently approved by Council on April 1, 2009 and submitted to HUD on May 15, 2009.

Consolidated Plan Compliance

In 2005 the City adopted its required 2005–2010 Consolidated Plan, which was approved by HUD. The Consolidated Plan is the required blueprint for meeting the housing and community development needs of the city and provides a description of existing housing and community development needs, a long-term strategy to address those needs and an action plan for coming years. The City is responsible for preparing an Annual Action Plan update, which reiterates the City's CDBG goals and objectives contained in the Consolidated Plan, and incorporates the proposed projects and funding for the new fiscal year.

A key component of the 2005–2010 Five-Year Consolidated Plan is a Strategic Plan, which includes the goals and objectives included in Attachment “A”.

In order to receive this stimulus grant, the City must adopt and submit a substantial amendment to its 2009 Action Plan to HUD no later than June 5, 2009. The substantial amendment for the grant shall specify the City’s plan for administration, use, and oversight of the funds and ensuring consistency with the Consolidated Plan.

CDBG, both Entitlement and Recovery, enables local governments to fund three National Objectives: benefiting low and moderate income persons; preventing or eliminating slums or blight; and meeting urgent need. The federal statute requires that at least 70% of CDBG expenditures must benefit low and moderate income persons.

There are also statutory limitations on the percentage of CDBG-Recovery funds that may be utilized for general administrative purposes, at no more than 10% of the CDBG-R grant (versus 20% of regular Entitlement), and Public Services, no more than 15% of the CDBG-R funds expenditures (versus 15% of regular Entitlement). The remaining funds are to be utilized for other categories, including Public Facilities and Capital Improvements. The total CDBG-R funds available by eligibility category, are:

Public Facilities & Improvements.....	\$101,850.
Public Services.....	\$20,370.*
TOTAL PROGRAMMATIC FUNDS.....	\$122,220.
General Administration (including Citizen Participation).....	\$13,580.**
TOTAL CDBG-RECOVERY FUNDING.....	<u>\$135,800.</u>

* Public Service is calculated at 15% of expended funds.

** Administration is calculated at 10% of funding allocation.

The CDBG-Recovery funds will be made available subject to final HUD approval of the Plan in early July, no later than July 20, 2009, by means of a grant agreement executed by HUD and the City, probably in late July 2009. The City has a grant period and expenditure deadline of September 30, 2012.

As a part of the Consolidated Plan/Annual Plan process, and a requirement of the CDBG program in general, HUD requires local governments to include citizen participation in the process. However, HUD provided an alternative citizen participation requirement to expedite distribution of CDBG-R funds and to provide no fewer than seven calendar days for citizen comment (rather than thirty days) for its CDBG-R substantial amendment. The following community participation activities were undertaken:

- ◆ During the regular 2009-2010 CDBG Request for Proposals (RFPs) process, proposers were informed of additional CDBG funds through a second economic stimulus package at the February 4th Request for Proposal Workshop and again at the February 27th CDBG Citizens’ Advisory Committee Public Hearing which various emails and hand-outs reinforced optimism of additional CDBG dollars.

- ♦ Staff provided clarification at the April 1st City Council Public Hearing in response to a Council Member's question of the City receiving additional CDBG funds under the ARRA of which would be received as a separate allocation and a stand-alone grant.
- ♦ The Public Notice for this Public Hearing appeared in the Desert Sun newspaper on May 20th and was posted on the City's website under the Community and Economic Development Department webpage on May 19th as well as on the website's Community Calendar for seven calendar days until this May 27th City Council.

The staff recommends that City Council review the following options for distribution of these special CDBG funds:

1. City Council could choose to fund two projects, one from Public Facilities & Improvements and one from Public Services which were the next highest ranked on the evaluations by the CDBG Citizens' Advisory Committee in April's regular CDBG Request for Proposals process.

Public Facilities & Improvements:

Stroke Recovery Center – Energy Conservation Improvements: The Stroke Recovery Center's proposal was for installation of an energy-efficient roofing system that sought cooperative funding from the City's CDBG and City of Palm Desert's CDBG.

90 Valley-Wide; 83 L/M; 33 PS Residents; 17 Eval Score; Requested \$100,000
Recommended \$101,850

Public Services:

Shelter from the Storm – Domestic Violence Outreach & Advocacy: The Shelter requested funds to increase its operation of its bilingual Domestic Violence Outreach and Advocacy Center and presence in Palm Springs to full-time.

230 City-Wide; 230 L/M; 230 PS Residents; 20 Eval Score; Requested \$33,900
Recommended \$20,370

2. City Council could choose to fund strictly Public Facilities & Improvements of city-owned facilities which were evaluated by the CDBG Citizens' Advisory Committee in April's regular CDBG Request for Proposals process.

Public Facilities & Improvements:

City of Palm Springs Parks & Recreation – James O. Jessie Desert Highland Unity Center Air Conditioning: Parks & Recreation's request is a continuation of on-going renovations to the Center by installing a new energy-efficient air conditioning system for the gymnasium to establish new recreation and fitness programs. Rather than an A/C system, replacement of antiquated evaporative coolers with more energy-efficient coolers would substantially improve the Center's cooling which will reduce its operating costs.

Requested \$180,000
Recommended \$62,220

City of Palm Springs Parks & Recreation – James O. Jessie Desert Highland Unity Fencing & Tot-Lot Playground: Parks & Recreation's request is the installation of pre-school-aged play structure and surrounding fence.

Requested \$60,000
Recommended \$60,000

Either one of these options meets the funding distribution procedure and the goals of committing at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of this Act, June 17, 2009.

Staff recommends City Council approval of Option 2 which will provide substantial improvements to the James O. Jessie Desert Highland Unity Center which serves one of the City's most important qualified neighborhoods.

Staff recommends City Council approve the Annual Action Plan Substantial Amendment and its Budget, as well as authorize the City Manager to execute the agreements between the City and the 2009-2010 CDBG-R Subrecipients and the Funding Approval/Agreement with HUD, which allows the acceptance of the City's CDBG-Recovery allocation.

FISCAL IMPACT:

There is no direct fiscal impact to the General Fund. These dollars are the City's allocated federal CDBG-Recovery funds from the U.S. Department of Housing & Urban Development Community Development Block Grant program. If the City fails to approve and submit a substantial amendment to the 2009-2010 Action Plan, HUD will disencumber its CDBG-R award and proceed to reallocate the funds to other grantees.



DALE E. COOK, JR.
Community Development Administrator



THOMAS J. WILSON
Assistant City Manager



DAVID H. READY, Esq., Ph.D.
City Manager

ATTACHMENT:

1. Attachment A – Strategic Plan Goals
2. Resolution

Attachment A
City of Palm Springs
2005–2010 Consolidated Plan
Strategic Plan Goals

HOUSING GOALS

- GOAL 1: PRESERVE DECENT SAFE SINGLE-FAMILY AND MOBILE HOME RESIDENTIAL UNITS THROUGH HOUSING REHABILITATION PROGRAMS
- GOAL 2: RETAIN AND INCREASE THE STOCK OF AFFORDABLE HOUSING THROUGH REHABILITATION AND NEW CONSTRUCTION
- GOAL 3: ENHANCE CRIME AWARENESS OF VERY LOW, LOW INCOME NEIGHBORHOODS THROUGH COMMUNITY PRESERVATION AND COMMUNITY POLICING SERVICES
- GOAL 4: PROVIDE FAIR HOUSING SERVICES TO AFFIRMATIVELY FURTHER FAIR HOUSING WITHIN THE CITY
- GOAL 5: SUPPORT PUBLIC HOUSING SERVICES FOR INDIVIDUALS SEEKING RENTAL ASSISTANCE
- GOAL 6: INCREASE HOMEOWNERSHIP OPPORTUNITIES FOR ELIGIBLE FIRST-TIME OR MINORITY HOMEBUYERS
- GOAL 7: REDUCE LEAD PAINT HAZARDS THROUGH EDUCATION, INSPECTION, REHABILITATION AND ABATEMENT

HOMELESS GOALS

- GOAL 1: SUPPORT OR PROVIDE FUNDING FOR PROGRAMS THAT OFFER SERVICES AND/OR SUPPORTIVE HOUSING TO ASSIST HOMELESS INDIVIDUALS AND/OR FAMILIES
- GOAL 2: SUPPORT RIVERSIDE COUNTY DISTRICT 4's CONTINUUM OF CARE STRATEGY THAT STRIVES TO END CHRONIC HOMELESSNESS BY AIDING HOMELESS INDIVIDUALS AND FAMILIES THROUGH SERVICES AND HOUSING

NON-HOUSING GOALS

- GOAL 1: ESTABLISH NEW AND/OR EXPANDED SERVICES FOR SENIORS, AT-RISK YOUTH, SEVERELY DISABLED ADULTS, AND SPECIAL NEEDS POPULATIONS
- GOAL 2: SUPPORT NATURAL DISASTER PREPAREDNESS SERVICES AND RESPONSE IN THE AFTERMATH OF NATURAL DISASTER

NON-HOUSING COMMUNITY DEVELOPMENT GOALS

- GOAL 1: PROVIDE PUBLIC FACILITY IMPROVEMENTS THROUGH DESIGN, REHABILITATION AND NEW CONSTRUCTION
- GOAL 2: IMPROVE INFRASTRUCTURE TO ELIMINATE HEALTH AND SAFETY OBSTRUCTION THAT WILL ENHANCE COMMUNITY STABILITY AND ATTRACTIVENESS
- GOAL 3: ELIMINATE ARCHITECTURAL BARRIERS THROUGH DESIGN, REHABILITATION, AND NEW CONSTRUCTION TO IMPROVE ACCESSIBILITY FOR THE PHYSICALLY IMPAIRED AND DISABLED PERSONS IN MEETING ADA COMPLIANCE

ECONOMIC DEVELOPMENT

- GOAL 1: PROMOTE, MAINTAIN AND/OR EXPAND THE CITY'S ECONOMIC BASE THROUGH ECONOMIC AND EMPLOYMENT OPPORTUNITIES TO EXISTING LOCAL BUSINESSES AND PROSPECTIVE BUSINESSES

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING THE COMMUNITY DEVELOPMENT BLOCK GRANT 2009-2010 ANNUAL ACTION PLAN SUBSTANTIAL AMENDMENT; APPROVING THE COMMUNITY DEVELOPMENT BLOCK GRANT - RECOVERY BUDGET; AUTHORIZING THE SUBMITTAL OF THE AMENDMENT AND BUDGET TO THE UNITED STATES DEPARTMENT OF HOUSING & URBAN DEVELOPMENT; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROVAL/AGREEMENT WITH UNITED STATES DEPARTMENT OF HOUSING & URBAN DEVELOPMENT AND THE SUBRECIPIENT AGREEMENTS

WHEREAS, as a Community Development Block Grant entitlement community, the City of Palm Springs is required to prepare and submit a Substantial Amendment to its 2009-2010 Annual Action Plan for the use of the federal Community Development Block Grant - Recovery funds received; and

WHEREAS, the City of Palm Springs is eligible to receive an allocation of \$135,800 of Community Development Block Grant - Recovery funds under the U.S. Department of Housing & Urban Development regulations; and

WHEREAS, the funds must be used for eligible activities which principally benefit low and moderate income persons; and

WHEREAS, pursuant to the requirements of including citizen involvement in the allocation process, a Citizens Advisory Committee was established and a public hearing was held to receive citizen input on the allocation of these funds; and

WHEREAS, the proposals have been reviewed by the CDBG Citizens Advisory Committee based on the needs of low and moderate income persons and the other National Objectives to benefit the maximum number of people; and

WHEREAS, the City Council held a public hearing on May 27, 2009 to receive public input on the allocation of these funds; and

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Substantial Amendment to its 2009-2010 Annual Action Plan is hereby approved. The City Manager or his designee is authorized to submit the 2009-2010 Annual Action Plan Substantial Amendment to the United States Department of Housing & Urban Development, which accurately reflects the CDBG-Recovery budget and projects approved by the City Council.

SECTION 2. The total Community Development Block Grants - Recovery funds available by authorized category of basic eligibility, are approved as follows:

Public Facilities & Improvements.....	\$122,220.
General Administration (including Citizen Participation)....	\$13,580.
TOTAL CDBG-RECOVERY FUNDING	<u>\$135,800.</u>

SECTION 3. The City Manager is hereby authorized to accept and execute the Funding Approval/Agreement with HUD, in the amount of \$135,800 for the CDBG-R funds.

SECTION 4. The City Manager is hereby authorized to execute the following Subrecipient Agreements and all necessary documents, in a form acceptable to the City Attorney:

City of Palm Springs Department of Parks & Recreation – JOJ Desert Highland Unity Center Energy-Efficient Improvements	
\$62,220	A _____

City of Palm Springs Department of Parks & Recreation – JOJ Desert Highland Unity Center Fencing & Tot-Lot Playground	
\$60,000	A _____

ADOPTED this ____ day of May, 2009.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA.)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on May __, 2009, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California

**CITY OF PALM SPRINGS
PUBLIC HEARING NOTIFICATION**



CITY CLERK'S DEPARTMENT
James Thompson, City Clerk

City Council
Meeting Date: May 27, 2009
Subject: CDBG Fiscal Year 2009-10, Substantial Amendment

AFFIDAVIT OF PUBLICATION

I, Kathie Hart, CMC, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was published in the Desert Sun on May 19, 2009.

I declare under penalty of perjury that the foregoing is true and correct.

Handwritten signature of Kathie Hart in black ink.

Kathie Hart, CMC
Chief Deputy City Clerk

AFFIDAVIT OF POSTING

I, Dolores Strickstein, Secretary, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was posted at City Hall, 3200 E. Tahquitz Canyon Drive, on the exterior legal notice posting board and in the Office of the City Clerk on May 19, 2009.

I declare under penalty of perjury that the foregoing is true and correct.

Handwritten signature of Dolores Strickstein in black ink.

Dolores Strickstein, Secretary

NOTICE OF PUBLIC HEARING
CITY COUNCIL
CITY OF PALM SPRINGS

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
FISCAL YEAR 2009-10 SUBSTANTIAL AMENDMENT

NOTICE IS HEREBY GIVEN that the City Council of the City of Palm Springs, California, will hold a public hearing at its meeting of May 27, 2009. The City Council meeting begins at 6:00 p.m. in the Council Chamber at City Hall, 3200 East Tahquitz Canyon Way, Palm Springs.

The purpose of the hearing is to provide citizens with an opportunity to offer comment on the proposed Substantial Amendment to the City's 2009-10 CDBG Annual Action Plan for the receipt of CDBG-Recovery funds from the American Recovery & Reinvestment Act of 2009 (ARRA) by the U.S. Dept of Housing & Urban Development (HUD).

Under ARRA, the City was awarded a one-time allocation of \$135,800 in CDBG-R funding. The Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care AND be quickly implemented. The Act requires the City give priority to projects that can award contracts based on bids within 120 days from HUD's grant agreement.

Response to this notice may be made verbally at the public hearing and/or in writing before the hearing. Written comments may be made to the City Council by letter (mail or hand delivery) to:

James Thompson, City Clerk
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262


Any challenge of the proposed in court may be limited to raising only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the City Clerk at, or prior to, the public hearing. (Government Code Section 65009[b][2]).

An opportunity will be given at said hearings for all interested persons to be heard. Questions regarding this may be directed to Dale Cook, Community Development Administrator at (760) 323-8198, or Dale.Cook@palmsprings-ca.gov.

REVIEW OF INFORMATION: The staff report and other supporting documents regarding this matter are available for public review at City Hall between the hours of 8:00 a.m. and 6:00 p.m., Monday through Thursday. Please contact the City Clerk's Department at (760) 323-8204 if you would like to schedule an appointment to review these documents. Additionally, a copy of the proposed amendment will be posted on the City website (<http://www.palmspringsca.gov>) and made available for a 7-day comment period at the Palm Springs Library, Reference Room, 300 South Sunrise Way, during normal business hours.

The City promotes fair housing and does not discriminate on the basis of any reason that is not related to a bona fide qualification in admission or access to, or treatment or employment in, its federally assisted programs and activities. It is the intention of the City to comply with the American with Disabilities Act (ADA) in all respects. Persons with disabilities who require auxiliary aids or special assistance beyond what is normally provided in utilizing City facilities, programs, services or activities, who require this document be provided in other accessible formats or who would like information on the City's compliance with the ADA, the City will attempt to accommodate in every reasonable manner. Please contact Mr. Cook, as referenced above, and provide at least 48 hours notice to inform us of the particular need(s) and to determine if accommodation is feasible.

Si necesita ayuda con esta carta, porfavor llame a la Ciudad de Palm Springs y puede hablar con Nadine Fieger (760) 323-8364.


Kathie Hart, CMC
Chief Deputy City Clerk