



## MEMORANDUM

**TO: CITY COUNCIL**

**FROM: TERESA MCCLISH, COMMUNITY DEVELOPMENT DIRECTOR**

**BY: KELLY HEFFERNON, ASSOCIATE PLANNER**

**SUBJECT: CONSIDERATION OF REALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FROM THE GRID ALTERNATIVES SOLAR AFFORDABLE HOUSING PROJECT APPROVED IN YEAR 2011 TO FUND THE CITY'S MID-BLOCK CROSSWALK ARCHITECTURAL BARRIER REMOVAL PROJECT**

**DATE: JUNE 14, 2016**

### **RECOMMENDATION:**

It is recommended the City Council adopt a resolution approving the reallocation of \$4,169 in Program Year 2011 CDBG funds from the GRID Alternatives Solar Affordable Housing Project to the City's Mid-Block Crosswalk Architectural Barrier Removal Project.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

The proposed \$4,169 reallocation from 2011 CDBG funds to the City's CDBG Mid-Block Crosswalk Architectural Barrier Removal Project will further the City's goal of providing safe paths of travel within the public right of way, and will have a minimal impact on staff time. The City retains \$5,180 for Year 2015 CDBG funds for Administration.

### **BACKGROUND:**

Every three (3) years, the City considers participation in the Housing and Urban Development (HUD) designated Urban County CDBG Program. The City has been participating in this program since the early 1990's. The City Council approved a Cooperation Agreement with the County in July 2014 for the joint participation in the CDBG Program for fiscal years 2015 through 2017. The City, as a participant in this program, receives an annual formula-based allocation of CDBG funds, which are available for a variety of Community Development activities as long as the activities meet at least one of three national objectives. The objectives are:

1. Benefit low- and moderate-income persons;
2. Aid in the prevention or elimination of slums or blight; or
3. Address urgent community development needs that pose a serious or immediate threat to public health or welfare.

In 2011, the City approved an allocation of \$4,169 from CDBG funds for GRID Alternatives to install solar panels on affordable single family housing units within the

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City. GRID Alternatives has had difficulty finding deed restricted affordable housing units within the City that qualify for this program since no new deed restricted units have been approved in recent years. The City is in jeopardy of losing the \$4,169 if this funding is not spent or reallocated by the end of 2016. GRID Alternatives is in support of the proposed reallocation.

In 2015, the City awarded \$59,194 of CDBG funds to the Mid-Block Crosswalk Architectural Barrier Removal Project to improve American with Disabilities Act (ADA) accessibility at key locations in the City. If the City Council approves the proposed reallocation, the total funding for this Project will be \$63,363.

**ANALYSIS OF ISSUES:**

The City's Mid-Block Crosswalk Architectural Barrier Removal Project will involve the installation of accessible curb ramps in compliance with the ADA. The new curb ramps will be located at various locations in the commercial and residentially zoned areas as well as areas around schools, parks, and public facilities. Specific locations include:

- East Grand Avenue at Alder Street
- Ash Street at Spruce Street
- Huasna Road at Rosewood Lane (Strother Park)
- Valley Road at Tiger Tail Drive

The reallocation of CDBG funds for this Project meets the following CDBG criteria:

1. Consistency with federal regulations and laws;
2. Community support (for example, approval of project by a City Council);
3. Seriousness of community development need proposed to be addressed by project;
4. Degree to which project benefits low-income and very low-income families or persons;
5. Cost effectiveness of funds requested and leveraging of other funds; and
6. Organization's experience or knowledge regarding CDBG or HOME requirements.

The City's approved CDBG Cooperation Agreement for years 2015 through 2019 include funding for projects that have unspent balances. These funds must be reallocated to avoid a potential loss of this funding. These projects are listed below, divided between administrative and City Council reallocations.

The administrative reallocations are considered minor amendments according to HUD and require City Manager approval. A letter from the City Manager was sent to San Luis Obispo County on March 23, 2016 listing these reallocations to the Soto Field Phase II Project. City Council reallocations are considered major amendments per

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HUD and therefore require Council approval by Resolution. Both the minor and major reallocations are included in the attached Resolution for consistency and clarity. The CDBG allocations that Council approved on March 8, 2016 remain unchanged (see Attachment 1 for approved list of 2016 CDBG projects).

**CDBG Administrative Reallocations**

| <b>Program Year</b> | <b>Project Name</b>  | <b>Beginning Balance</b> | <b>Reallocation</b> | <b>Ending Balance</b> | <b>Comments</b>                        |
|---------------------|--|--------------------------|---------------------|-----------------------|--|
| 2010                | Hoosegow ADA   | 15,556                   | 15,556              | \$0                   | Eliminate project and reallocate funds |
|                     | Subtotal: Soto Field Phase II                                | \$0                      | <b>\$15,556</b>     | \$15,556              | Reallocate funds to project            |
| 2011                | Hoosegow ADA   | \$7,887                  | \$7,887             | \$0                   | Eliminate project and reallocate funds |
|                     | Women's Business Ctr.  | \$1,370                  | \$1,370             | \$0                   | Eliminate project and reallocate funds |
|                     | Subtotal: Soto Field Phase II                                | \$0                      | <b>\$9,257</b>      | \$9,257               | Reallocate funds to project            |
| 2012                | Hoosegow ADA   | \$5,000                  | \$5,000             | \$0                   | Eliminate project and reallocate funds |
|                     | Subtotal: Soto Field, Phase II                               | \$0                      | <b>\$5,000</b>      | \$5,000               | Reallocate funds to project            |
| 2013                | Administration   | \$2,318.20               | \$2,318.20          | \$0                   | Reallocate funds                       |
|                     | Hoosegow ADA   | \$10,000                 | \$10,000            | \$0                   | Eliminate project and reallocate funds |
|                     | Subtotal: Soto Field Phase II                                | \$0                      | <b>\$12,318.20</b>  | \$12,318.20           | Reallocate funds to project            |
| 2014                | Administration   | \$6,392                  | \$6,392             | \$0                   | Reallocate funds                       |
|                     | Hoosegow ADA   | \$5,000                  | \$5,000             | \$0                   | Eliminate project and reallocate funds |
|                     | Subtotal: Soto Field Phase II                                | \$0                      | <b>\$11,392</b>     | \$11,392              | Reallocate funds to project            |
|                     | Soto Field Phase II  | \$40,269                 | \$0                 | <b>\$40,269</b>       | Project exists - no change             |
|                     | <b>Total<br/>Reallocation to<br/>Soto Field<br/>Phase II</b> |                          | <b>\$53,523.20</b>  |                       |  |

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| Program Year | Project Name  | Beginning Balance | Reallocation | Ending Balance     | Comments |
|--------------|---|-------------------|--------------|--------------------|----------|
|              | <b>Total <u>Allocation</u> to Soto Field Phase II</b> |                   |              | <b>\$93,792.20</b> |          |

**Recommended City Council Reallocation**

| Program Year | Project Name  | Beginning Balance | Reallocation   | Ending Balance  | Comments                               |
|--------------|---|-------------------|----------------|-----------------|--|
| 2011         | GRID Alternatives Solar Affordable Housing Project  | \$4,169           | \$4,169        | \$0             | Eliminate project and reallocate funds |
|              | Subtotal: Mid-Block Crosswalk Architectural Barrier Removal Project                           | \$0               | <b>\$4,169</b> | \$4,169         | Reallocate funds to project            |
| 2015         | Mid-Block Crosswalk Architectural Barrier Removal Project                                     | \$59,194          | \$0            | <b>\$59,194</b> | Project exists – no change             |
|              | <b>Total <u>Reallocation</u> to Mid-Block Crosswalk Architectural Barrier Removal Project</b> |                   | <b>\$4,169</b> |                 |  |
|              | <b>Total <u>Allocation</u> to Mid-Block Crosswalk Architectural Barrier Removal Project</b>   |                   |                | <b>\$63,363</b> |  |

The cooperative agreement between the County and the City gives discretion regarding allocation of funds. Unless the City's recommendation to the County for funding is clearly in conflict with CDBG regulations, the County will approve the recommendation. Funds for the Project would be immediately available after the Board of Supervisors amends the County's 2015-2019 Consolidated Plan on July 12, 2016.

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**ADVANTAGES:**

Reallocation of unspent CDBG funds closes out previous program years, which aids in CDBG administration for both the City and County, and aides the Urban County in meeting its CDBG timeliness requirements. These minor and major funding reallocations would be utilized for two separate projects that are consistent with CDBG program goals, and would be spent soon after the funds are made available.

**DISADVANTAGES:**

No disadvantages have been identified.

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

- Accept staff's recommendation and adopt the resolution;
- Modify staff's recommendation and adopt the resolution;
- Provide direction to staff

**ENVIRONMENTAL REVIEW:**

The reallocation of CDBG funds is not considered a project under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA).

**PUBLIC NOTIFICATION AND COMMENTS:**

A public hearing notice was published in the Tribune on Friday, June 3, 2016 and posted at City Hall. The Agenda was posted in front of City Hall on Thursday, June 9, 2016 and posted on the City's website on Friday, June 10, 2016. No public comments were received.

Attachment:

1. Approved list of 2016 CDBG projects

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING REALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FROM THE GRID ALTERNATIVES SOLAR AFFORDABLE HOUSING PROJECT APPROVED IN YEAR 2011 TO FUND THE CITY'S MID-BLOCK CROSSWALK ARCHITECTURAL BARRIER REMOVAL PROJECT**

**WHEREAS**, via a Cooperation Agreement with the County of San Luis Obispo (hereafter referred to as "County") executed in July 2014, the City agreed to become a participant for a period of three years with the County and other cities therein as an "Urban County" under the Federal Department of Housing and Urban Development (hereafter referred to as "HUD") CDBG program; and

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

**WHEREAS**, the City allocated funds during the 2010 through 2014 CDBG program years to various projects; and

**WHEREAS**, the City desires to reallocate unspent funds from aforementioned CDBG program years to fund the removal of architectural barriers for two (2) previously approved projects, including the Soto Field Phase II Project and the Mid-Block Crosswalk Architectural Barrier Removal Project; and

**WHEREAS**, on March 23, 2016 the City Manager approved administrative reallocations to fund the Soto Field Phase II Project as shown in Exhibit A; and

**WHEREAS**, on June 14, 2016, the City Council held a duly noticed public hearing to consider reallocation of CDBG funds from the GRID Alternatives Solar Affordable Housing Project approved in Program Year 2011 to the Mid-Block Crosswalk Architectural Barrier Removal Project as shown in Exhibit B.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Arroyo Grande, California, to recommend that the Board of Supervisors for the County of San Luis Obispo adopt the reallocation of the City's CDBG funds from the 2010 through 2014 Action Plans as provided in Exhibits A and B for the purpose of funding the Soto Field Phase II Project and the Mid-Block Crosswalk Architectural Barrier Removal Project.

**RESOLUTION NO.**  
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On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll call vote, to wit:

**AYES:**

**NOES:**

**ABSENT:**

the foregoing Resolution was passed and adopted this 14<sup>th</sup> day of June, 2016.

**RESOLUTION NO.  
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**JIM HILL, MAYOR**

**ATTEST:**

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**KELLY WETMORE, CITY CLERK**

**APPROVED AS TO CONTENT:**

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**DIANNE THOMPSON, CITY MANAGER**

**APPROVED AS TO FORM:**

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**HEATHER WHITHAM, CITY ATTORNEY**



EXHIBIT A

CDBG Administrative Reallocations

| Program Year | Project Name  | Beginning Balance | Reallocation       | Ending Balance     | Comments                               |
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|              | <b>Total <u>Reallocation</u> to Soto Field Phase II</b> |                   | <b>\$53,523.20</b> |                    |  |
|              | <b>Total <u>Allocation</u> to Soto Field Phase II</b>   |                   |                    | <b>\$93,792.20</b> |  |

EXHIBIT B

City Council Reallocation

| Program Year | Project Name  | Beginning Balance | Reallocation   | Ending Balance  | Comments                               |
|--------------|---|-------------------|----------------|-----------------|--|
| 2011         | GRID Alternatives Solar Affordable Housing Project  | \$4,169           | \$4,169        | \$0             | Eliminate project and reallocate funds |
|              | Subtotal: Mid-Block Crosswalk Architectural Barrier Removal Project                           | \$0               | <b>\$4,169</b> | \$4,169         | Reallocate funds to project            |
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|              | <b>Total <u>Reallocation</u> to Mid-Block Crosswalk Architectural Barrier Removal Project</b> |                   | <b>\$4,169</b> |                 |  |
|              | <b>Total <u>Allocation</u> to Mid-Block Crosswalk Architectural Barrier Removal Project</b>   |                   |                | <b>\$63,363</b> |  |

EXHIBIT "A"

2016 ONE YEAR ACTION PLAN

ALLOCATION OF PROGRAM YEAR 2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS

| <b>Project and Category</b>                               | <b>2015 Allocation</b> | <b>2016 Requested</b> | <b>Proposed 2016 Allocation</b> |
|---|------------------------|-----------------------|---------------------------------|
| <b>Public Services 15% Cap - \$11,484</b>                 |                        |                       |                                 |
| <b>Subtotal</b>   | <b>\$0</b>             | <b>\$0</b>            | <b>\$0</b>                      |
| <b>Public Facilities</b>                                  |                        |                       |                                 |
| City of Arroyo Grande - Removal of Architectural Barriers | \$51,116               | \$61,251              | \$61,251                        |
| <b>Subtotal</b>   | <b>\$51,116</b>        | <b>\$61,251</b>       | <b>\$61,251</b>                 |
| <b>Economic Development</b>                               |                        |                       |                                 |
| <b>Subtotal</b>   |                        | <b>\$0</b>            | <b>\$0</b>                      |
| <b>Area Benefit 30% Cap - \$22,969</b>                    |                        |                       |                                 |
| <b>Subtotal</b>   | <b>\$0</b>             | <b>\$0</b>            | <b>\$0</b>                      |
| <b>Administration and Planning 20% Cap - \$15,312</b>     |                        |                       |                                 |
| City Administration                                       | \$4,473                | \$5,359               | \$5,359                         |
| County Administration                                     | \$8,306                | \$9,953               | \$9,953                         |
| <b>Subtotal</b>   | <b>\$12,779</b>        | <b>\$15,312</b>       | <b>\$15,312</b>                 |
| <b>Total</b>  |                        |                       | <b>\$76,563</b>                 |

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