

STAFF REPORT



ITEM NO. 9

CITY OF OCEANSIDE

DATE: June 3, 2009

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **APPROVAL OF A SUBSTANTIAL AMENDMENT ADDING THE COMMUNITY DEVELOPMENT BLOCK GRANT – RECOVERY ACT PROGRAM (CDBG-R) TO THE FY 2008-09 ACTION PLAN OF THE 2005-2010 CONSOLIDATED PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT**

SYNOPSIS

Staff recommends that the City Council approve a substantial amendment adding the Community Development Block Grant – Recovery Act (CDBG-R) to the FY 2008-09 Action Plan of the 2005-2010 Consolidated Plan for Housing and Community Development, and authorize the City Manager to submit the amendment to the U.S. Department of Housing and Urban Development (HUD).

BACKGROUND

The American Recovery and Reinvestment Act (ARRA) of 2009 (the "Recovery Act") appropriated \$1.0 billion for additional Community Development Block Grant funding; the U.S. Department of Housing and Urban Development (HUD) will manage the program and distribute funds to grantees that received CDBG funding in FY 2007-08. HUD has announced that the City of Oceanside is eligible for \$485,796 through CDBG-R. The CDBG-R grant is a supplemental appropriation; as such, HUD is treating a grantee's use of its CDBG-R grant to be a substantial amendment to its current approved Consolidated Plan and 2008-09 Action Plan. Guidelines for CDBG-R require that eligible jurisdictions file the substantial amendment with HUD no later than June 5, 2009; this substantial amendment serves as an application for CDBG-R funds. The guidelines require that the substantial amendment be approved by the local jurisdiction at a public hearing after a minimum seven-day public comment period.

ANALYSIS

The Notice of Funding Requirements from HUD for the CDBG-R Program states:

Funding available under 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. In implementing the Recovery Act, Federal agencies are undertaking unprecedented measures to ensure transparency and accountability in the use of the funds.

Concurrently, Federal agencies must ensure that the funds are employed in a prudent manner consistent with applicable program requirements.

The Department of Housing And Urban Development (HUD) desires that CDBG-R grantees carefully evaluate proposed projects for consistency with the overarching goals of the Recovery Act, especially the above-cited purposes. To this extent, HUD strongly urges grantees to use 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. While the full range of CDBG activities is available to grantees, HUD strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

The City must prepare and submit to HUD no later than June 5, 2009, a substantial amendment adding CDBG-R to the 2008-09 Action Plan. In addition, the City must list each proposed activity in a spreadsheet that includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget; this list of proposed activities is attached. In the substantial amendment the City must provide a written description of how the use of CDBG-R funds for the activity will maximize job creation and economic benefit in relation to CDBG-R funds obligated, and will address the Recovery Act by:

- (A) Preserving and creating jobs and promoting economic recovery;
- (B) Assisting those most impacted by the recession;
- (C) Providing investment needed to increase economic efficiency;
- (D) Investing in transportation, environmental protection or other infrastructure that will provide long-term economic benefits;
- (E) Minimizing or avoiding reductions in essential services; or
- (F) Fostering energy independence.

The City must for each activity estimate the number of full- and part-time jobs to be created and retained by the activity (including permanent, construction and temporary jobs), and include a description of the activities that will be carried out with CDBG-R funds that promote energy conservation, smart growth, green building technologies, or reduced pollution emissions.

The draft documents were posted on the City's web site one week prior to the City Council meeting to comply with Recovery Act transparency requirements.

FISCAL IMPACT

The City is eligible to receive \$485,796 from funds appropriated by Congress to the Community Development Block Grant Program as part of ARRA of 2009. Guidelines for the CDBG-R program emphasize that funds are to be used for projects that can go to contract after bids within 120 days after notification that funds are available, and to projects that can be completed in an expeditious manner. Once the City's substantial amendment is approved, HUD will prepare a grant agreement for the program; the Neighborhood Services Department will return to the City Council to accept the funds and appropriate funds to the particular projects listed in the approved amendment. All

program delivery costs and staff costs will be paid with CDBG-R funds; ten percent of the grant may be used for management of the program including quarterly reporting and financial management. There will be no impact on the General Fund.

COMMISSION OR COMMITTEE REPORT

The CDBG ad hoc Application Review Committee reviewed and ranked the proposed projects; the report of the Committee is attached.

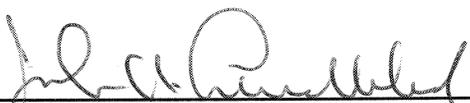
CITY ATTORNEY'S ANALYSIS

The City Council is authorized to hold a public hearing in this matter. Consideration of the matter should be based on the testimony and evidence presented at the hearing. After conducting the public hearing, the Council shall approve, modify or reject the plan. The supporting documents have been reviewed and approved as to form by the City Attorney.

RECOMMENDATION

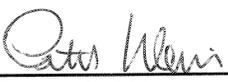
Staff recommends that the City Council approve a substantial amendment adding the Community Development Block Grant – Recovery Act (CDBG-R) to the FY 2008-09 Action Plan of the 2005-2010 Consolidated Plan for Housing and Community Development, and authorize the City Manager to submit the amendment to the U.S. Department of Housing and Urban Development (HUD).

PREPARED BY:



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SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager
Margery M. Pierce, Director, Neighborhood Services
Teri Ferro, Director, Financial Services



ATTACHMENTS:

- 1. Draft project spreadsheet (list of proposed projects)
- 2. Report of the ad hoc Application Review Committee
- 3. Draft CDBG-R substantial amendment

CDBG-R
Activity Data Spreadsheet

Jurisdiction/Grantee Name: City of Oceanside, California		CDBG-R Formula Grant Amount: \$485,796				Date: 05/27/2009	
Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
Senior Citizens Center Renovation and Expansion	Improvements and expansion of existing Oceanside Senior Citizens Center including energy efficiency and conservation improvements to increase services to seniors	Senior Centers 570.201(c)	Limited Clientele 570.208(a)(2)(i)	\$ 75,000.00	\$ -		\$ 75,000.00
Family Recovery Center kitchen renovation	Renovation of 30-year-old kitchen at Family Recovery Center to improve meal service to residents and to develop space for job training for the food and hospitality industry	Homeless Facility 570.201(c)	Limited Clientele 570.208(a)(2)(i)	\$ 75,000.00	\$ -	\$ 75,000.00	\$150,000.00
Sidewalk installation in Eastside neighborhood	Installation of sidewalks in the CDBG-eligible Eastside neighborhood to increase safety for children walking to school and other pedestrians	Improvements 570.201(c)	Area Benefit 570.208(a)(1)(i)	\$ 60,000.00	\$ -	\$120,000.00	\$180,000.00
Clinic equipment and furnishings for NCHS	Acquisition and installation of equipment to expand a women's clinic to provide improved access to health care for women without health insurance	Health Center 570.201(c)	Limited Clientele 570.208(a)(2)(i)	\$100,000.00			\$100,000.00
New "green" roof and solar panels at WRC Trans House	Replacement of the roof at the Women's Resource Center transitional living facility and as funds are available, install solar panels	Homeless Facility 570.201(c)	Limited Clientele 570.208(a)(2)(i)	\$100,000.00			\$100,000.00
Energy efficiency upgrades at public facilities	Provide funding to nonprofit organizations with facilities that serve low- and moderate-income clientele to install energy efficiency and conservation upgrades	Energy Efficiency 570.202	Limited Clientele 570.208(a)(2)(i)	\$ 27,296.00	\$ -	\$ -	\$ 27,296.00
Administration and management of CDBG-R	Administration and management of CDBG-R program including contract management, quarterly reporting and financial operations.	Program Admin. 570.206	Not applicable	\$ 48,500.00	\$ -	\$ -	\$ 48,500.00
				\$485,796.00			\$680,796.00

ATTACHMENT 2

Report of the ad hoc Application Review Committee Community Development Block Grant – Recovery Act (CDBG-R)

The 2009 ad hoc Application Review Committee for the Community Development Block Grant Program met on May 20, 2009, to review projects proposed for funding with entitlement funds awarded to the City of Oceanside under the Recovery Act of 2009 (CDBG-R funds). The City is eligible for \$485,796 of CDBG-R funds.

The Committee reviewed and prioritized projects as follows:

1. Renovation of the existing Oceanside Senior Citizens Center (previously approved for funding)
2. Renovation of the kitchen at the Family Recovery Center (previously approved for funding)
3. Additional sidewalks in the Eastside neighborhood (expansion of a project previously awarded CDBG funds)
4. Expansion of women's clinic at the new North County Health Services Oceanside clinic
5. Installation of a new energy-efficient roof at the Women's Resource Center with solar panels for energy conservation
6. Additional energy efficiency and/or conservation projects at facilities that serve low- and moderate-income residents

The Committee did not recommend these projects for CDBG-R funding:

1. Replacement of street lighting with energy-efficient LED luminaries
2. Replacement of windows at the Women's Resource Center transitional housing facility

CDBG-R SUBMISSION TEMPLATE **& CHECKLIST**

The American Recovery and Reinvestment Act of 2009 ("Recovery Act") was signed into law by President Obama on February 17, 2009. The Recovery Act awards \$1 billion in CDBG Recovery (CDBG-R) funds to be distributed to cities, counties, insular areas and states, of which \$10 million has been reserved by HUD for its administrative costs and \$10 million of which will be awarded to Indian tribes. Recipients of the remaining \$980 million of CDBG-R funds will be the approximately 1,200 jurisdictions that received CDBG funding in Fiscal Year 2008. This template sets forth the suggested format for grantees receiving funds from CDBG-R. A complete submission contains the information requested below, including:

- (1) The CDBG-R Substantial Amendment (template attached below)
- (2) Spreadsheet for Reporting Proposed CDBG-R Activities (see <http://www.hud.gov/recovery>)
- (3) Signed and Dated Certifications (see <http://www.hud.gov/recovery>)
- (4) Signed and Dated SF-424.

Grantees should also attach a completed CDBG-R Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

THE CDBG-R SUBSTANTIAL AMENDMENT

Jurisdiction(s): City of Oceanside, California	CDBG-R Contact Person: John Lundblad
Jurisdiction Web Address: www.ci.oceanside.ca.us/recoveryact.default.asp	Address: 300 North Coast Highway Oceanside CA 92054
	Telephone: 760-435-3393
	Fax: 760-757-9076
	Email: jlundblad@ci.oceanside.ca.us

ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS

Funding available under 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. HUD strongly urges grantees to use 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. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

Grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format is available on HUD’s recovery website at <http://www.hud.gov/recovery>.

B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name:

(2) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

(3) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

(4) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

(5) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

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a. Senior Citizens Center renovation

(1) Activity Name: Renovation and expansion of existing Senior Citizens Center

(2) Activity Narrative: CDBG-R funds will be used to renovate the entryway area of the Oceanside Senior Citizens Center, enclose an existing little-used patio area into a "coffee and conversation" area for seniors, improve lighting with energy-efficient fixtures, improve water conservation with new fixtures in restrooms, and improve overall appearance of the entryway with new flooring, display areas and reception desk.

(3) Jobs created: Construction only in various trades, four to eight workers over a one month period

(4) Additional activity information: The Senior Center is located at 455 Country Club Drive in Oceanside and is managed by the City of Oceanside. The renovation will result in a drop in electric energy consumption and will support water conservation.

(5) Responsible organization: City of Oceanside, Neighborhood Services Department - Parks & Recreation Division, 300 North Coast Highway, Oceanside CA 92054

Contact person: Eileen Turk, Parks & Recreation Division Manager, 760-435-5525, email: ETurk@ci.oceanside.ca.us

b. Family Recovery Center kitchen improvements

- (1) Activity Name: Renovation and expansion of kitchen at Family Recovery Center
- (2) Activity Narrative: Mental Health Systems, Inc. manages the Family Recovery Center (FRC) as transitional housing with supportive services for women in recovery from substance abuse, especially methamphetamines. The program is open to single women, pregnant women and women with young children. The FRC is located a fifty-year-old building originally built as the Oceanside Community Hospital. Units do not have individual kitchens so all meal service is provided from the central kitchen. CDBG-R funds will be used to enlarge and renovate the kitchen to make it a full commercial kitchen. Besides improved and more efficient meal service, the project will allow for development of expanded nutrition education programs and a job-training program to prepare participants for careers in food service. All graduates will have as a minimum a food handler license. With the development of new hotels and an expanded beach tourism economy after the current recession is over, there will be a great need for professional kitchen staff and workers in catering.
- (3) Jobs created: Construction jobs in various trades, utilizing 10-15 workers over a two- to three-month period. The job-training program will graduate 5 to 15 women each year who are skilled in food service and able to move into positions immediately upon completion of course work.
- (4) Additional activity information: In addition to renovation and expansion of the kitchen facility, the project will install new *Energy Star* energy-efficient appliances and water-conservation plumbing for the kitchen. Contractors will use green building technologies for construction of the expanded area.
- (5) Responsible organization: Mental Health Systems, Inc (MHS) will manage the project as a CDBG-R subrecipient. MHS offices are located at 9465 Farnham Street, San Diego, CA 92123.

Contact person is Richard Bradway, 1100 Sportfisher, Oceanside, CA 92054-2550, tel: 760- 439-6702, email: rbradway@mhsinc.org

c. Eastside neighborhood sidewalks

- (1) Activity Name: Installation of additional sidewalks in the CDBG-eligible Eastside neighborhood
- (2) Activity Narrative: The Eastside neighborhood is a low- and moderate-income area, primarily single-family homes and some three-generation families. The neighborhood developed in the 1930s and 1940s but not all infrastructure was installed during development. CDBG funds were allocated in PY 2007 to complete sidewalks along some streets; CDBG-R funds will be used to complete this project to improve safety of children walking to school and other pedestrians.
- (3) Jobs created: Construction workers in concrete trades; 3-4 workers for a one-week period
- (4) Additional activity information: The project will install new sidewalks beyond what was possible with an earlier CDBG project grant, and will complete installation of sidewalks along streets that had long gone without such improvements. The end result will be increased pedestrian safety and a more attractive neighborhood.
- (5) Responsible organization: The City of Oceanside - Engineering Division, 300 North Coast Highway, Oceanside CA 92054 will manage the project.

Contact person is Ed Vasquez, tel: 760-435-5108, e-mail EVasquez@ci.oceanside.ca.us

d. Women's Clinic at North County Health Services

- (1) Activity Name: Acquisition and installation of equipment for a Women's Clinic
- (2) Activity Narrative: North County Health Services (NCHS) is one of two community clinics serving uninsured and underinsured children, youth and adults in the North Coastal San Diego Region. NCHS will complete construction of a new Oceanside clinic in July 2009 but has not had the funds to complete all portions of the new clinic. CDBG-R funds will be used to expand the Women's Clinic portion of the clinic to provide increased access to services for women without health insurance. This will become even more important with pending drastic cuts to health coverage by the State of California in order to balance the State budget. The project will include acquisition and installation of equipment specific to a women's clinic and completion of exam rooms.
- (3) Jobs created: Construction in various trades to complete exam rooms plus hiring of one or two medical assistants as part of the expanded Women's Clinic services
- (4) Additional activity information: The building is new construction and already includes a variety of energy efficient and water conservation measures.
- (5) Responsible organization: The NCHS Oceanside Clinic is located at 605 Couch Street, Bldg. C, Oceanside CA 92054. NCHS will manage the CDBG-R project as a subrecipient.

Contact person is Pia Mangini, 150 Valpreda Road, San Marcos CA 92069, tel: 760-736-6753, email: pia.mangini@nchs-health.org

e. Women's Resource Center roof replacement

- (1) Activity Name: Installation of new energy-efficient roof at Women's Resource Center (WRC) transitional housing facility
- (2) Activity Narrative: In the early 1990's the City of Oceanside acquired an abandoned athletic club and partnered with the Women's Resource Center to develop this into a 21-unit transitional housing facility for formerly homeless women, including women with young children. Clients are primarily though not exclusively victims of domestic violence and receive housing, supportive services and job-training toward becoming independent, self-sufficient members of the community. The facility roof was not re-built at that time and is now in need of complete reconstruction. The existing roof was constructed prior to contemporary "green" building techniques. This roof will be replaced with a twenty-year energy-efficient roof.
- (3) Jobs created: Construction workers - up to six for a period of up to a month depending upon the condition of the roof supports.
- (4) Additional activity information: This project will install a "green" roof to reduce heating and cooling costs for the transitional housing facility. Depending upon the availability of funds, the project will install solar panels to produce electricity for the facility, thus reducing operational costs.
- (5) Responsible organization: The City of Oceanside owns the WRC transitional housing facility at 1963 Apple Street, Oceanside CA 92054; the City will manage this project through the Neighborhood Services Department; initial contact person is John Lundblad, 300 North Coast Highway, Oceanside CA 92054; tel: 760-435-3393; e-mail: jlundblad@ci.oceanside.ca.us

f. Energy Efficiency Upgrades

- (1) Activity Name: Provide funding to local nonprofit organizations with facilities that serve low- and moderate income individuals, families or neighborhoods to install energy efficient and/or water conservation upgrades.
- (2) Activity Narrative: A number of local nonprofit organizations have facilities that serve low- and moderate-income individuals, families or neighborhoods. Some of these facilities are twenty to fifty years old and the organizations have not had the funds to upgrade electrical, lighting and plumbing to current energy efficiency and water conservation standards. The City of Oceanside will issue a Request for Proposals for such upgrades; grants will be awarded based on review of the facility by San Diego Gas & Electric (SDG&E) for energy efficiency or the City Water Utilities Department for water conservation. The City expects that the most common projects will be to install new lighting (some facilities still use 12' fluorescent tubes) or to install water conservation items in kitchen or bathrooms
- (3) Jobs created: Unknown at this point; most likely short-term electrical and plumbing projects
- (4) Additional activity information: The project will improve energy efficiency and water conservation at various local facilities that serve low- and moderate-income individuals, families or neighborhoods.
- (5) Responsible organization: The City of Oceanside - Neighborhood Services Department, 300 North Coast Highway, Oceanside CA 92054 will manage the program from issuing the RFP, preparing grant contracts, monitoring project activity and collecting data on level of energy efficiency and/or water conservation achieved.

Contact person: John Lundblad, 300 North Coast Highway - Nevada Street Annex, Oceanside CA 92054; tel: 760-435-3393; e-mail: jlundblad@ci.oceanside.ca.us

g. Administration and Management of CDBG-R Program

- (1) Activity Name: Administration and management of the CDBG-R program in Oceanside
- (2) Activity Narrative: The Neighborhood Services Department will manage the CDBG-R program in Oceanside including preparation of application, public noticing, financial management, oversight of projects, preparation and timely filing of program and financial reports, and drawdown of funds.
- (3) Jobs created: None
- (4) Additional activity information: Administration and management only
- (5) Responsible organization: The City of Oceanside - Neighborhood Services Department, 300 North Coast Highway, Oceanside CA 92054 will manage administration and management of the CDBG-R program

Contact person: John Lundblad, 300 North Coast Highway - Nevada Street Annex, Oceanside CA 92054; tel: 760-435-3393; e-mail: jlundblad@ci.oceanside.ca.us

C. PUBLIC COMMENT

Provide a summary of public comments received to the proposed CDBG-R Substantial Amendment.

Note: A Proposed CDBG-R Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 7 calendar days for public comment.

Response: