

Item No.: GC1

Proposed Meeting Date: June 1, 2009

Exhibits: Staff Memorandum, Location Map, Public Hearing Notice.

Person Submitting Request: Eric Ferris
Director of Community Development

CAPTION:

1. **Public Hearing: Consideration of an Amendment to the 2008 Community Development Block Grant Annual Action Plan Allocating a Supplemental CDBG-R Award of \$151,565 for an Edwards Street Sanitary Sewer Replacement Project; and Authorization for the City Manager to Submit the Amendment to the U.S. Department of Housing and Urban Development.**

ADMINISTRATIVE COMMENTS:

The American Recovery and Reinvestment Act (ARRA) of 2009 includes supplemental funding for the Community Development Block Grant (CDBG) program. This funding is being disbursed to current CDBG grantees. The City has been awarded \$151,565 in CDBG-R funds. To receive the funds, the City must amend its 2008 Annual Action Plan adopted August 4, 2008. Staff has identified Sanitary Sewer Replacement on Edwards Street as a “shovel ready” project for funding. This Amendment was made available for an expedited 7 day Public Comment period and is now ready for a Public Hearing before adoption. The CDBG Advisory Committee approved this amendment with a vote of 7-0 at their May 26, 2009 meeting.

RECOMMENDATION:

It is City staff’s recommendation that the City Council approve the amendment; and authorize the City Manager to submit the amendment to the U.S. Department of Housing and Urban Development.

PRESENTATION: Jamey Kirby, Grants Coordinator

MEMORANDUM

TO: Claude King, City Manager

FROM: Gene Lewis, Planning & Community Services Manager

VIA: Eric Ferris, Director of Community Development

DATE: June 3, 2009

SUBJECT: Public Hearing: Consideration of an Amendment to the 2008 Community Development Block Grant Annual Action Plan Allocating a Supplemental CDBG-R Award of \$151,565 for an Edwards Street Sanitary Sewer Replacement Project; and Authorization for the City Manager to Submit the Amendment to the U.S. Department of Housing and Urban Development.

BACKGROUND

The American Recovery and Reinvestment Act (ARRA) of 2009 includes supplemental funding for the Community Development Block Grant (CDBG) program administered by the U.S. Dept. of Housing and Urban Development (HUD). This funding is being disbursed to current CDBG grantees. The City has been awarded \$151,565 designated as CDBG-R funds. To receive the funds, the City must amend its 2008 Annual Action Plan (AAP) adopted August 4, 2008 and submit the amendment to HUD by June 5, 2009.

The proposed project includes replacement of old, deteriorating 6” sanitary sewer lines with new 8” lines on the following segments of Edwards St.:

Street:	Estimated Cost
Edwards from Charles to Milton	\$35,125
Edwards from Milton to Hatcher	\$30,140
Edwards from Hatcher to Cowan	\$64,406
Edwards from Cowan to Edna (alternate)	<u>\$21,894</u>
Total project:	\$151,565

If bids are lower than the estimated costs, the alternate segment will be considered for inclusion in the project. Unspent ARRA funds at project completion may not be available for other CDBG projects.

Congress passed ARRA with the purpose of stimulating the economy through funding improvements to infrastructure, energy efficiency, educational opportunities and access to health care. The Act also includes measures to ensure transparency and accountability.

The Act appropriated an additional \$1 billion dollars to the CDBG Program. Projects must still meet the eligible requirements of the CDBG program. Funds are meant to be used in an expedited manner. HUD was authorized to make certain waivers including a shortened public comment period. HUD requests that Grantees select projects that can award contracts within 120 days from the date funds are made available.

ANALYSIS

Staff has identified the Edwards Street Sanitary Sewer Replacement as a “shovel ready” project for funding. In the 2008 Annual Action Plan the City funded a project for Sanitary Sewer and Street Rehabilitation on Milton Street from Main to Purnell with segments on Elm and Samuel. The proposed CDBG-R project can be awarded along with the Milton Street sewer bids although funds must be tracked separately. An environmental assessment must be conducted prior to awarding contracts.

This Amendment was made available for an expedited 7 day Public Comment period and is now ready for a Public Hearing before adoption. To date staff has not received any comments prior to the public hearing. The CDBG Advisory Committee approved this amendment with a vote of 7-0 at their May 26, 2009 meeting.

RECOMMENDATION

It is City staff’s recommendation that the City Council approve the amendment; and authorize the City Manager to submit the amendment to the U.S. Department of Housing and Urban Development.