

City of Grants Pass
Community Development Block Grant (CDBG)
Minor Amendment to 2015-19 Consolidated Plan
and 2017-18 (Year 3) Annual Action Plan



WHEREAS:

1. The City's 2015-19 Consolidated Plan was amended, and the 2017-18 (Year 3) Annual Action Plan was adopted by Resolution 17-6578 on August 2, 2017, and submitted to the US Department of Housing and Urban Development (HUD). HUD issued an approval letter dated October 2, 2017.
2. The City's CDBG Citizen Participation Plan authorizes administrative Minor Amendments to the Consolidated Plan and Annual Action Plan as follows:

Minor Amendments

- i. **Definition.** A 'Minor Amendment' to the Consolidated Plan or Action Plan shall occur when total proposed amendment involves less than 10 percent (10%) of program year CDBG funding.
- ii. **Procedure.** Minor Amendments may be approved administratively by the City Manager. Minor Amendments do not require public notice or a (30)-day public comment period or City Council approval.

Each such Minor Amendment shall be incorporated into the Consolidated Plan through publishing in the next Action Plan and/or CAPER.

3. The City wishes to reallocate less than 10% of its Year 3 appropriation through a Minor Amendment. The City received a Year 3 appropriation of \$296,195. A Minor Amendment of less than 10% would not exceed \$29,619.50.
4. The Minor Amendments will help projects which are already included in the Consolidated Plan and one or more Annual Action Plans proceed in a timely manner. The amendments do not result in significant changes in project purpose, scope, location, or beneficiaries. The Minor Amendments will help the City meet its commitments for timely expenditure of funds.

THEREFORE:

1. Consistent with the Citizen Participation Plan: the 2015-19 Consolidated Plan as previously adopted and amended, and the 2017-18 Annual Action Plan as adopted, are hereby revised to include Minor Amendments described in Exhibit 'A'.
2. In accordance with the Citizen Participation Plan, the amendments will be addressed in the 2018-19 (Year 4) Annual Action Plan and/or Year 3 CAPER.

Aaron K. Cubic, City Manager

Date

EXHIBIT 'A'



MEMO

To: Lora Glover, Director, Parks & Community Development
From: Tom Schauer, Senior Planner
Re: CDBG, Food and Friends, Hearts with a Mission
Date: May 16, 2018

Recommendation

- Allocate CDBG funds to the following projects, including reallocation of approximately 10% of Year 3 funds (approximately \$29,600) through a minor amendment. This will close funding gaps for projects in need of funding otherwise ready to proceed, while helping the City achieve its drawdown requirements for "timely expenditure" of CDBG funds.
- **Food and Friends.** Allocate approximately \$83,000 of Year 3 and Year 4 CDBG funds to Food and Friends, with approximately \$19,600 Year 3 funds through a minor amendment and \$63,400 Year 4 funds in the Annual Action Plan. This is in addition to a \$155,000 allocation of Year 2 funds, for a total of \$238,000 in CDBG funds to date. *The Year 3 minor amendment would help the City meet its drawdown requirements.*
- **Hearts with a Mission.** Allocate approximately \$10,000 of additional Year 3 CDBG funds to Hearts with a Mission through a minor amendment. This is in addition to a \$25,000 allocation of Year 3 funds for this work and \$6,000 of Year 3 funds for operations, for a total of \$41,000 in CDBG funds to date. *The Year 3 minor amendment would allow them to complete HVAC replacement, roofing repairs, and new gutter installation this summer, while helping the City meet its drawdown requirements.*
- The \$29,600 Year 3 CDBG funds for these projects would be reallocated from neighborhood blight remediation, because a receivership program has not been established (\$20,000 of \$20,000 allocation), and from site acquisition/public improvements to assist affordable housing, because anticipated projects won't occur this year (\$9,600 of \$70,000 allocation).

Summary

- The City is currently in Year 3 of the 5-year consolidated planning period. We are in the middle of the process of developing the Annual Action Plan for Program Year 4 which begins on October 1.
- With CDBG funds, sometimes we have known projects and activities that need funding. We also allocate funds to housing-related activities with the expectation that a project might advance, but there isn't always certainty. Some activities which had CDBG funds allocated have not had firm projects come to fruition in the short-term. There are other projects which are ready to go, which are in need of additional funding. They can begin once they have closed their funding gaps.

- In addition, the City has an obligation for “timely expenditure” of CDBG funds. Reallocating some of the funds will assist projects which are ready to go and help the City meet its “timely expenditure” requirements. With these requirements, there is only so much we can roll over into future years when anticipated projects aren’t ready to proceed. There is a “drawdown” test which occurs in July.
- As specified in the Citizen Participation Plan, the City can reallocate up to 10% of annual funds to activities identified in the Consolidated Plan through a minor amendment, which can be approved administratively by the City Manager without the same extensive public process used for adoption of, and major amendments to, the Consolidated Plan and Annual Action Plan.
- Finally, we must use an initial estimate of \$275,000 per year for forecasting our CDBG funding appropriations. However, each year the actual appropriation is announced and varies. The Year 3 allocation was \$296,195. The Year 4 allocation was just announced, and it is \$341,405.

Background

I believe the above proposal would be consistent with all applicable CDBG requirements, and I will confirm specifics with HUD representatives.

- **Food and Friends.** I was at the Chamber’s government affairs committee on May 7, and Councilor Lindsay provided an update on the Food and Friends development. He noted that RVCOG has now officially purchased the property, but they are still fundraising for some additional costs. I outreached to Michael Cavallaro to find out the details. CDBG funds would help them close their funding gap. (See Attachment 1).
- **Hearts with a Mission.** Tony Mendenhall contacted me today regarding their funding gap associated with prevailing wage requirements associated with CDBG funds. (See below).
 - Initial estimates:
 - HVAC estimate from Advanced Air and Metal was \$22,199.00.
 - Roofing repairs from Pressure Point was \$1,895.00
 - Gutter replacement from Britt Gutters was \$2,200.00

The total for all of these were \$26,294.00
 - Revised estimates with prevailing wage:
 - HVAC estimate from Advanced Air and Metal was \$29,908.00.
 - Gutter replacement from Britt Gutters was \$2,800.00
 - Pressure Point is re-sending their estimate but suggested this would add about \$500 to their bid to about \$2,400.00.

The revised total comes to \$35,108.00.

Tom Schauer

From: Michael Cavallaro <mcavallaro@rvcog.org>
Sent: Wednesday, May 16, 2018 11:12 AM
To: Tom Schauer
Subject: F&F building

Tom

In December of 2017 we asked the project architects to update the project's two-year-old cost estimate. The result showed our then current budget (\$1,354,461) was \$270,000 short of the likely cost of the project even after extensive value engineering. We managed to obtain 60% of that amount (\$162,000) from available end-of-the-year state CDBG funds, but, as with the original state CDBG award, were responsible for raising the remaining 40% (\$108,000) to reflect the percentage of seniors who would be benefitted by the Senior Resource Center but who did not live in rural Josephine County. We have been in the process of attempting to fundraise the \$108,000, and will likely be able to reduce it by \$25,000 in the next several months, thus leaving us with a shortfall of \$83,000.

At the same time, our winning contractor's bid, after some negotiation, came in almost exactly at our updated budget of \$1,624,461, although that completely erases our contingency line item, which was set at the minimum of \$70,000. Not only do we anticipate that these funds will be necessary due to the age of the building (50 years) and the fact that it has been unoccupied for more than four years, but we had planned, should we not need to use some of these funds, to reinstate some of the renovations that we were forced to value engineer out due to our budget constraints.

For that reason, we have a total budget shortfall at this time of \$153,000 (\$83,000 plus \$70,000). We have two letters of intent that we have submitted to foundations that could potentially meet the \$70,000 contingency amount, but at this time we have no strategy to reduce the \$83,000 "non-rural Josephine County" renovation shortfall.

Please let me know if your need any additional information, and thank you for your efforts on this.

Michael

Michael Cavallaro - Executive Director
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RVCOG VALUES....

SERVICE COLLABORATION PROFESSIONALISM STEWARDSHIP INTEGRITY RESPECT