

COUNCIL ACTION FORM

SUBJECT: 2011/12 COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC FACILITIES NEIGHBORHOOD INFRASTRUCTURE IMPROVEMENTS (NORTH HAZEL AVENUE / NORTH 3RD STREET)

BACKGROUND:

This program is part of the City's 2011/12 Community Development Block Grant (CDBG) Annual Action Plan. The implementation of the Neighborhood Infrastructure Improvements Program is targeted in low- and moderate-income census tracts as designated by the federal Department of Housing and Urban Development (HUD). The objective is to replace and/or repair curbs, driveway approaches, sidewalks, and/or street surface areas that have deteriorated and are causing accelerated pavement failure. The overall goal of the program is to preserve and enhance the viability and aesthetics of our core existing neighborhoods.

This specific project was let to replace the deteriorated pavement on North Hazel Avenue. North Hazel is in a targeted census tract where at least 51 percent of the residents have income at or below 80 percent of the Story County median income limits.

On June 14, 2011, Council awarded the contract to Manatts, Inc. of Ames, Iowa in the amount of \$287,993.17. The proposed Change Order No. 1, in the amount of \$113,601.30, will add additional curb and gutter, driveway replacement, and pedestrian curb ramps on North 3rd Street between North Hazel Avenue and North Russell Avenue. The project was financed with \$306,297 in CDBG funds.

An additional \$500,000 in CDBG funding must now be reprogrammed due to FEMA's rejection of the City's Flood Buy-Out proposal. Under our Consolidated Plan—Citizen Participation Component, the City Council has the discretion move up to \$100,000 between programs before needing to revise our Action Plan. Since the City already has a contract for Manatts, transferring \$100,000 more to this Neighborhood Infrastructure Improvements program will help us meet HUD's strict requirement for timely expenditure of CDBG funding.

Approving this change order provides an opportunity to make further improvements in this low- and moderate- income census tract will enhance and sustain the viability of this older core neighborhood. Engineering and construction administration, estimated at \$42,000, will be covered by remaining General Obligation Bond funds from the South Duff Area Storm Sewer Reconstruction Project. This brings the total estimated costs of the project to \$443,594.47.

ALTERNATIVES:

1. Approve Change Order No. 1, in the amount of \$113,601.30, for the 2011/12 CDBG Public Facilities Neighborhood Infrastructure Improvements Program (North Hazel Avenue).
2. Do not authorize this change order, and cap the CDBG funding of this program at the current level.

MANAGER'S RECOMMENDED ACTION:

Further expanding this project will allow the City to utilize CDBG funding to strengthen and improve one core neighborhood. Approving this change order allows for additional work to be done to continue to towards Council's goal of strengthening and improving neighborhoods.

Were the Council to delay reallocation of this \$100,000 until later this fall, this project will have been completed and the opportunity to transfer funding to this program would be past. That would increase the likelihood that the City would fail HUD's requirement for timely expenditure of our CDBG allocation by May 1, 2011.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving Change Order No. 1, in the amount of \$113,601.30, for the 2011/12 CDBG Public Facilities Neighborhood Infrastructure Improvements Program (North Hazel Avenue).