

COUNCIL ACTION FORM

SUBJECT: RESOLUTION RESCINDING THE PREVIOUSLY APPROVED GRANT FROM THE CDBG PUBLIC FACILITIES IMPROVEMENTS PROGRAM FUNDING TO YSS

BACKGROUND:

As part of the City's 2015-16 CDBG Annual Action Plan projects, a \$100,000 was set aside to implement a Public Facilities Improvements Program for non-profit organizations. The objective of the Public Facilities Improvement Program as outlined in the City's FY 2014-18 Five-Year Consolidated Plan is to "Utilize and Leverage CDBG funds for Low and Moderate Income Persons through private and public partnerships" as follows: Continue provision of Public Facilities Needs for homeless, special populations and low income households (senior centers, homeless facilities, child care centers, mental health facilities, neighborhood facilities, and other public facilities needs).

At the September 13, 2016 City Council meeting, the City Council approved CDBG funding to YSS in the amount of \$69,997 and local match from YSS in the amount of \$23,333 for a total budget of \$93,330 for exterior facility improvements to their shelter at 804 Kellogg Avenue. The major improvements included tuck pointing and repair of the existing brick and mortar joints and to paint the exterior façade. Due to the time of the year the bidding for these items were moved to the spring of 2017. **In March 2017, staff solicited for contractor bids for the repair work. One bid proposal was received, however, the amount was \$270,000, which far exceeded the budget. The major cause of the overage was due to the lead paint hazards and the method by which lead hazards have to be addressed in accordance with HUD regulations.** There are a limited number of contractors available who have the lead paint certification and/or the financial capacity to complete a project of this size and magnitude, which lead to the high bid.

City and YSS staff reviewed the bid specifications to determine if items could be completed in phases and/or just eliminate of some of the repair items such as: painting the facility, window replacement, repair of a handicapped ramp, foundation repair and repairs to porch railings. **However, even with the elimination of items, the lead paint stabilization work cannot be completed in phases or eliminated.** Additionally, although this was an exterior façade program, in regards to rehabilitations that exceed \$5,000 and have lead paint hazards, HUD clarified that both exterior and interior lead hazards would need to be addressed. **With that in mind, neither the City nor YSS have the additional funding it would take to complete with project within the regulations required by HUD. Therefore, both parties have agreed that this is not a viable project for the program funds.**

ALTERNATIVES:

1. The City Council can adopt a resolution rescinding the prior approval of \$69,667 from CDBG funds awarded to YSS under the CDBG Public Facilities Improvements Program for non-profit organizations.
2. The City Council can identify the additional \$176,670 needed to complete the tuck pointing, repairing of the existing brick and mortar joints, and painting of the exterior façade for the YSS project.
3. The City Council can refer this request back to staff for additional information.

MANAGER'S RECOMMENDED ACTION:

Unfortunately, the regulation requirements of the CDBG funds to complete a project does not always lend itself to a becoming a successful project. The lead paint requirements to complete a project of this size far exceed the budget available to each organization.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the rescinding the \$69,667 of CDBG funds awarded to YSS under the CDBG Public Facilities Improvements Program for non-profit organizations.