

Mayor and Council Communication

DATE: 08/03/21

M&C FILE NUMBER: M&C 21-0521

LOG NAME: 19CAPPS PARK IMPROVEMENTS

SUBJECT

(CD 9) Authorize Change in Use and Adjust Existing Appropriations of Community Development Block Grant Funds in the Amount of \$80,000.00 for Additional Improvements to Capps Park Located at 907 West Berry Street, Authorize Substantial Amendment to the City's 2015-2016 Action Plan, and Authorize the Substitution of Funding Years

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize a change in use and adjust existing appropriations of Community Development Block Grant funds in the amount of \$80,000.00 for erosion control activities at Capps Park located at 907 West Berry Street as part of the activities described in City Secretary Contract No. 54577;
2. Authorize a substantial amendment to the City's 2015-2016 Action Plan; and
3. Authorize the substitution of funding years in order to meet commitment, disbursement and expenditure deadlines of the United States Department of Housing and Urban Development.

DISCUSSION:

The South Hemphill Heights Model Block (Model Block) is a targeted revitalization area, designated by City Council in 2006, which had a balance of \$507,404.51 in unspent Community Development Block Grant (CDBG) funds from the United States Department of Housing and Urban Development (HUD) that were dedicated for use in the South Hemphill Heights neighborhood.

Neighborhood Services Department (NSD) staff worked with the South Hemphill Heights Neighborhood Association (SHHNA) to identify CDBG-eligible projects. Through this process, improvements to Capps Park and a portion of West Cantey Street were chosen as uses for the remaining Model Block funds.

On June 25, 2019, Mayor and Council Communication (M&C) C-29168, City Council authorized the allocation of \$407,404.51 in Model Block funds for street and sidewalk improvements to the 700-900 blocks of West Cantey Street (West Cantey).

On November 12, 2019, (M&C 19-0304), City Council approved the allocation of \$48,774.04 in additional CDBG funds to the West Cantey project to fully fund a contingency for the project and cover Transportation and Public Works staff expenses. Also, City Council allocated \$180,000.00 in CDBG funds for the construction of improvements at Capps Park located at 907 West Berry Street. The \$180,000.00 CDBG budget included \$100,000.00 in Model Block funds.

On August 25, 2020, the City Council (M&C 20-0604) approved the transfer of an additional \$66,000.00 from the West Cantey project for a total Capps Park project budget of \$246,000.00. The additional funds were needed based on the lowest bid received by Northstar Construction, LLC (M&C 20-0604 and City Secretary Contract No. 54577).

Park and Recreation Department staff and the construction contractor identified erosion issues at the south end of Capps Park and determined that the slope of the tennis court to the north of this area is causing excessive water runoff that is eroding the soil. The cost to correct the slope of the tennis court, install proper drainage, resurface the tennis court and complete the project is \$80,000.00, which constitutes a substantial amendment to the project budget.

Construction on the West Cantey project was completed under budget in March 2020, and there is a remaining balance in the project budget of approximately \$150,000.00. Staff recommends transferring \$80,000.00 in remaining CDBG funds from the West Cantey project budget to the Capps Park project budget to address the erosion concerns and complete the project. The total funding for both projects would be approximately \$566,000.00 (Capps - \$326,000.00, West Cantey - \$240,000.00), which exceeds the Model Block budget of \$507,404.51.

A public comment period regarding the allocation of the \$80,000.00 in CDBG funds was held from July 7, 2021 to August 5, 2021. Any comments received are maintained in the Neighborhood Services Department in accordance with federal regulations.

Staff recommends authorizing a change in use and adjustment of existing appropriations of \$80,000.00 in CDBG funds to mitigate erosion issues at Capps Park.

The Action Plan funding years may vary and be substituted based on the principle of first in, first out (FIFO) in order to expend oldest grant funds first.

The project is located in COUNCIL DISTRICT 9.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, funds are available in the current operating budget, as appropriated, in the Grants Operating Federal Fund. Neighborhood Services (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to an expenditure being incurred, Neighborhood Services has the responsibility to validate the availability of funds.

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