



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 22, 2013  
Action Item for the City Council Meeting of January 29, 2013

**DATE:** January 4, 2013

**TO:** Ronald L. Olson, City Manager

**THRU:** Eddie Ortega, Director  
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Public hearing regarding "Substantial Amendments" to CAAP; FY07, FY10, and FY11 and a Motion to amend each project.

### CAPTION:

Public Hearing and Motion to authorize the City Manager or designee to execute all necessary documents with the U.S. Department of Housing and Urban Development (HUD) and Consolidated Annual Action Plan (CAAP) grantees for the following HUD approved contracts, cancellations and amendments. Funding from these cancelled projects will be reprogrammed into the FY13 CAAP. Action to be taken will consist of the following: cancellation of an FY07 HOME Investment Partnership Program project for the Messianic Fellowship Church; cancellation of an FY07 Community Development Block Grant (CDBG) Program project for the Montgomery Ward Building rehabilitation Project; cancellation of a FY10 CDBG project for Avance; the changing of a scope of work for a FY10 CDBG project for the Lindale Senior Center; the cancellation of CDBG FY11 projects for Coastal Bend Alcohol & Drug Abuse Rehabilitation Center dba Charlie's Place, the Gonzalez Foundation, and the Westside Business Association.

### PURPOSE:

In accordance with HUD and the City of Corpus Christi's (City) 5-year Consolidated Annual Action Plan (CAAP), "Substantial Amendments" are required to amend each CAAP which will trigger a comment period once motion is approved (24 CFR 94.115). A "Substantial Change" is defined by the City to be; a proposed new activity which cannot reasonably be construed to have been included within the programmatic intent of the adopted application or in the commitment of funds to a specific project, or an activity which was identified in the adopted application or in the commitment of funds to a specific project, or an activity that is proposed to be altered in terms of its purpose, scope, location, or beneficiaries to such an extent that it can no longer reasonably be construed as the activity reviewed by the public and approved by the City Council.

## **BACKGROUND AND FINDINGS:**

FY07 - the Messianic Fellowship Church received HOME funding for the construction of a new 32 unit rental apartment complex to be used by residents as affordable housing. The Messianic Fellowship did not have adequate funding for the project to be brought to completion. This Project will be deleted from the FY07 CAAP and FY07 HOME funding in the amount of \$300,000 will be reprogrammed into FY13 HOME CAAP.

FY07- the Montgomery Ward Building rehabilitation Project received CDBG funding for the development of the historic Ward Building, after the FY07 CDBG approved project: Nueces Lofts Apartments, could not move forward with CDBG funding. These funds were then reprogrammed to the Ward Building Project. After several years, the project was unable to be brought to completion, HUD deemed the project ineligible and funds in the amount of \$350,000 were reimbursed to the Federal Treasury (HUD). HUD released the funds back to the City in the fall of 2012 with the intent that these funds would be made available for other CDBG Projects. The Montgomery Ward project will be deleted from the FY07 CAAP and the FY07 CDBG funding in the amount of \$350,000 will be reprogrammed into the FY13 CDBG CAAP.

FY10-Avance, Inc. received CDBG funds for the construction of a new facility which would conduct program services for low income and at-risk families. In the fall of 2012, Avance, Inc. permanently closed its doors and the agency is no longer in operation. The project will be deleted from the FY10 CAAP and FY10 funding in the amount of \$175,828 will be reprogrammed into the FY13 CDBG CAAP.

FY10-The Lindale Senior Center received CDBG funding for parking lot improvements needed to address safety issues of senior citizen customers, due to the work being done on Staples St., the project as presented and approved has been delayed. In order to not forfeit approved funding, the Parks & Recreation Department is requesting that the scope of work be changed to replace the service drive way that is used for the delivery of all meals to the 80+ daily users of the center. The approved funding for this project, in the amount of \$150,000, will remain at the center for the proposed change of scope use.

FY11-The Coastal Bend Alcohol & Drug Rehabilitation Center dba Charlie's Place received CDBG funding for a roof replacement. Due to the regulatory constraints that must be adhered to when utilizing CDBG funding; bid estimates received were over considerably budget. Charlie's Place chose to return the funds to the City to be used on other eligible projects. The project will be deleted from the FY11 CAAP and FY11 funding in the amount of \$31,024 will be reprogrammed into the FY13 CDBG CAAP.

FY11- the Gonzalez Foundation received CDBG funding for the replacement of an existing roof at the Gonzalez Education and Recreation Center. Mr. Gonzalez notified the City that he would not need the awarded CDBG funding and chose to return the funding to the City. The project will be deleted from the FY11 CAAP and FY11 funding in the amount of \$92,234 will be reprogrammed into the FY13 CDBG CAAP.

FY11-the Westside Business Association received CDBG funding for the improvement of lighting and the installation of security cameras and gates to the parking entrances at the Antonio E. Garcia Arts & Education Center (Center). The Westside Business Association (WBA) was deemed to be a third party requestor of funding to the Center and it was determined that WBA could not enforce CDBG regulations to the Center. The project will be deleted from the FY11 CAAP and FY11 funding in the amount of \$44,234 will be reprogrammed into the FY11 CDBG CAAP.

The amount of CDBG funding to be reprogrammed into FY2013 due to cancelled projects is \$693,320. The amount of CDBG funding to remain in the FY2010 CDBG program is \$150,000.

The amount of HOME funding to be reprogrammed into FY2013 due to a cancelled project is \$300,000. These changes to the CAAP will bring the total amount to \$1,143,320.

**ALTERNATIVES:**

"Not Applicable"

**OTHER CONSIDERATIONS:**

"Not Applicable"

**CONFORMITY TO CITY POLICY:**

Council approval to amend each project is required for the change in the CAAP to take effect.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency

**DEPARTMENTAL CLEARANCES:**

Legal  
Finance

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2011-2012</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered / Expended Amount				
This item		\$1,143,320	None	\$1,143,320
BALANCE		\$1,143,320	None	\$1,143,320

Fund(s):

**Comments:** Proposed project amendments have already gone to City Council for approval and appropriations

**RECOMMENDATION:**

Staff recommends the approval of this agenda item

**LIST OF SUPPORTING DOCUMENTS:**

N/A