



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

R-32

June 2, 2009

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Approve a third amendment to the Fiscal Year 2008-2009 Action Plan incorporating the American Recovery and Reinvestment Act's (ARRA) Community Development Block Grant-Recovery (CDBG-R) and authorize the City Manager to 1) execute all necessary documents with the U.S. Department of Housing and Urban Development (HUD) and other entities necessary to receive CDBG-R funds, 2) increase appropriations in the Community Development Grants Fund (SR 150) in the Department of Community Development (CD) by \$2,332,444 and 3) execute all necessary documents with approved contractors necessary for CDBG-R implementation. (Districts 1 and 7)

DISCUSSION

To receive Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD), the City of Long Beach (City) prepares an annual Action Plan that describes how the funding for low-income residents will be used. On July 15, 2008, the City Council approved the FY 09 Action Plan. This FY 09 Action Plan is the fourth annual implementation plan under the five-year 2005 - 2010 Consolidated Plan. The 2005-2010 Consolidated Plan is required to assess low-income community needs and to prioritize the use of HUD grant funds received by the City to address identified needs.

Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA), which became effective on February 17, 2009, appropriates \$1 billion to carry out the CDBG program under Title I of the Housing and Community Development Act of 1974 on an expedited basis. Consequently, HUD has established a new program called the Community Development Block Grant-Recovery (CDBG-R). Under this program, the City is eligible to receive \$2,332,444 of federal funding. HUD is treating CDBG-R funds as a special allocation of CDBG funding. As such, the City's use of this funding requires a substantial amendment to the current approved FY 09 Action Plan. (Attachment A)

Recommended Projects

The intent of the program is to put these funds to use quickly. Accordingly, in selecting projects for CDBG-R funding, the City shall give priority to projects that can award contracts based on bids within 120 calendar days from the date the funds are made available to the City. Hence, selected projects must be "shovel ready." ARRA requires that the selected projects should demonstrate how the use of CDBG-R funds for a project will locally maximize job creation/retention; economic benefits; and promote energy conservation, smart growth, green building technologies, or reduced pollution emissions.

The two projects recommended are ready to commence and will be built with CDBG – R funding. The proposed projects are:

- **14th Street Skate Park**

Expansion of the Skate Park at 14th Street and Pacific Avenue. Improvements include the fabrication and installation of new skate park equipment as well as associated site work, grading, concrete, fencing, shade structures, and benches. Construction of this project will take four (4) to six (6) months. This project will create 10 full-time construction jobs.

Project Funding: \$620,000

- **Arlington Avenue Storm Drain**

Due to past and recent flooding in the Arlington neighborhood, the proposed project is being developed to provide flood protection from a 10-year rain event. Homes and businesses surrounding the 2300 block of West Arlington Street have experienced severe flooding at least seven times during the past 20 years. The most recent flooding of the area took place February 7, 2009, when the neighborhood was inundated with two to three feet of water due to heavy rainstorms. The proposed project will construct a parallel storm drain system on River Avenue, just north of Arlington Street, that will connect to an underground storage basin on the adjacent SCE property. Construction of this project will take approximately six (6) months and create 20 full time construction jobs.

Project Funding: \$1,479,200

The total amount of the CDBG-R entitlement is \$2,332,444. Ten percent of the funds will be allocated to support the planning and administrative costs of these projects.

Citizen Participation

To expedite the ARRA process and ensure that CDBG-R grants are awarded in a timely manner, HUD is limiting the citizen participation to seven calendar days. Based on this HUD directive, notices regarding the availability of the substantial amendment to the FY 09 Plan were posted on the City's website. In addition, the program announcement and the draft amendment were placed at the Neighborhood Resource Center and at the

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Main Library. All of the public comments received during the public comment period, May 26, 2009 to June 1, 2009, will be included in the Amended Action Plan, along with copies of written responses from staff.

This item was reviewed by Deputy City Attorney Richard Anthony on May 27, 2009, and by Budget and Performance Management Bureau Manager David Wodynski on May 18, 2009.

TIMING CONSIDERATIONS

City Council action is requested on June 2, 2009, as the Amended Action Plan must be submitted to HUD no later than June 5, 2009.

FISCAL IMPACT

An appropriation increase of \$2,332,444 is requested in the Community Development Grants Fund (SR 150) in the Department of Community Development (CD). The increase is included in the recommendation. There is no impact to the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully Submitted,



DENNIS J. THYS
DIRECTOR
DEPARTMENT OF COMMUNITY DEVELOPMENT



PHIL T. HESTER
DIRECTOR
PARKS, RECREATION AND
MARINE

DJT/AR/ah
6-2-09 CDBG R v9.doc

Attachment A: FY 2008-2009 Action Plan Substantial Amendment

APPROVED:


PATRICK H. WEST
CITY MANAGER

Substantial Amendment for CDBG-R Funding Under the American Recovery and Reinvestment Act of 2009

DRAFT

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I. INTRODUCTION

Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA), which became effective on February 17, 2009, appropriates \$1 billion to carry out the Community Development block Grant (CDBG) program under Title I of the Housing and Community Development Act of 1974 on an expedited basis. Consequently, HUD has established a new program called the Community Development Block Grant-Recovery (CDBG-R). Under this program the City is eligible to receive \$2,332,444 of federal funding.

In order to receive funds under the Community Development Block Grant (Recovery Act) Program (CDBG-R) enacted as part of the Recovery Act of 2009, the City is required to complete a substantial amendment to the City 2008-09 Action Plan. This proposed amendment will incorporate the CDBG-R funds and implementing requirements the City will use to administer and commit these funds.

The CDBG grant was established as a “brick and mortar” grant to help cities improve housing, public facilities and infrastructure for low-and moderate-income persons. In order for a project to be eligible for CDBG funding, the City is responsible for assuring that each eligible activity meets one of three national objectives:

- ❖ Benefit of low-and moderate-income persons;
- ❖ Aid in the prevention or elimination of slums or blight; and
- ❖ Meet a need having a particular urgency (referred to as urgent need).

The City proposes that ninety percent (90%) or \$2,099,197, of the CDBG-R funds be made available for infrastructure projects that benefit low and moderate income neighborhoods, projects that can be under construction within 120 days of the release of funds, and projects that assist with job creation and retention objectives of the Recovery Act. The remaining ten percent (10%) of the funds, \$233,244, would be used for the CDBG-R grant administration.

II. Activities

A. Activity Name: *Arlington Avenue Storm Drain*

Activity Description: As a result of several flooding incidents that have impacted residents on Arlington Avenue, including damaging homes and vehicles, the City of Long Beach contracted with the Los Angeles County Department of Public Works, Storm Drain Division, to conduct a drainage study of the area. The report prepared in 2007 concluded that the 60-inch storm drain pipe that collects storm water from the Arlington Street area as well as the adjoining Southern California Edison Company property, and carries these storm water flows to the Dominguez Channel is undersized, providing less than a five-year protection level. The proposed project to bring the flood protection in this area to a full 10-year protection level consists of the construction of a parallel storm drain system on River Avenue just north of Arlington Street connected to an underground storage (detention) basin on the SCE property that would temporarily hold two acre feet of storm water during heavy flows and then release them as the storm abates and the downstream pipe is no longer flowing full. The project consists of the following elements:

- Construction of 1021 feet of 48-inch reinforced concrete pipe in River Avenue from Arlington Street to Wardlow Road;
- Modification of five street level catch basins on River Avenue including the installation of trash and bacteria filters;
- Construction of six new street level catch basins on River Avenue including the installation of trash and bacteria filters;
- Construction of a detention system consisting of five 84-inch corrugated metal pipes, each 430 feet in length, to be located within a dedicated easement on property owned by the Southern California Edison Company (SCE) in order to retain two acre feet of storm drain flows;
- Modification of a surface inlet on SCE's property with a debris deflector; and
- Construction of connecting pipes from the existing storm drain system to the detention system.

Eligibility Category: HUD Matrix Code – 3I – Flood Drain Improvements

CDBG Regulation Citation-Sec. 570.201(c)

National Objective Citation – 570.208(a)(1) LMA/LMJ

Activity Census Tract: 572301

Surrounding Census Tract(s): 572500
Percentage of Low- and Moderate-Income (LMI) Persons: 59.4%

Funds Received from Other Recovery Act Programs: \$0

Total Activity Budget: \$1,479,200

B. Activity Name: *14th Street Skate Park*

Activity Description: Expansion of Skate Park at 14th Street and Pacific Avenue in Central Long Beach. Improvements include the fabrication and installation of new skate park equipment as well as associated site work, grading, concrete, fencing, shade structures, and benches.

Eligibility Category: HUD Matrix Code – 3F – Parks, Recreational Facilities

CDBG Regulation Citation-Sec. 570.201(c)

National Objective Citation – 570.208(a)(1) LMA/LMJ

Activity Census Tract: 575401,575402

Surrounding Census Tracts: 575300, 575803, 573002

Percentage of LMI Persons:85.2%

National Objective Citation: LMA, LMJ

Funds Received from Other Recovery Act Programs: \$0

Total Activity Budget: \$620,000

C. Activity Name: *Program Administration*

Activity Description: This activity will provide funds (not to exceed 10% of the total award) towards project administration and employee compensation.

Eligibility Category: Program Administration-Sec. 570.206

Activity Census Tract: N/A

Surrounding Census Tracts: N/A

LMI Percentage: N/A

National Objective Citation: N/A

Funds Received from Other Recovery Act Programs: \$0

Total Activity Budget: \$233,244

III. Description of how distribution and use of CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of the Recovery Act:

As a condition of CDBG-R funding, HUD requires compliance with Title XII of Division A and Section 1602. Title XII of Division A gives priority to projects that can award contracts based on bids within 120 days from the date the funds are made available to the recipients. Section 1602 gives preference to projects and activities that can be started and completed expeditiously and notes a goal of obligating at least 50% of the funds not later than June 17, 2009.

The projects selected to receive CDBG-R funds meet the above-mentioned requirement as follows:

The Arlington Avenue Storm Drain Project design phase has been completed and will be ready to go out for bid by June 17, 2009.

The 14th St. Skate Park Project design phase has been completed and can be started within 3 weeks after funding is awarded.

IV. Relation of Projects to the ARRA

A. Activity Name: Arlington Avenue Storm Drain

Activity will address the Recovery Act by:

X	Preserving and creating jobs and promoting economic recovery	X	Investing in transportation, environmental protection, or infrastructure that will provide long-term benefit
X	Assisting the most impacted by the recession		Minimizing or avoiding reductions in essential services
	Providing investment needed to increase economic efficiency		Fostering energy independence

Description of how activity will maximize job creation and econ. benefit:

The Arlington Avenue Storm Drain Project will assist with job retention and creation and generate economic benefits. The project will preserve jobs and livelihoods for classifications of workers adversely impacted by the recent economic downturn: construction workers and laborers and construction material suppliers. The project is anticipated to require up to 20 workers on-site to construct the storm drain.

B. Activity Name: 14th Street Skate Park

Activity will address the Recovery Act by:

X	Preserving and creating jobs and promoting economic recovery	X	Investing in transportation, environmental protection, or infrastructure that will provide long-term benefit
	Assisting the most impacted by the recession		Minimizing or avoiding reductions in essential services
	Providing investment needed to increase economic efficiency		Fostering energy independence

Description of how activity will maximize job creation and econ. benefit:

The *14th Street Skate Park Project* will assist with job retention and creation and generate economic benefits. The project will preserve jobs and livelihoods for classifications of workers adversely impacted by the recent economic downturn: construction workers and laborers and construction material suppliers. The project is anticipated to require up to 10 workers on-site to improve the park.

The activity will also reduce blight and create long-term infrastructure benefit by revitalizing a youth recreation alternative in a low/moderate income area.

V. Employment Creation

Project Name	Full Time Job #	Part-Time Job #	Permanent or Temp?	Construction? Yes/No
Arlington (River) Avenue Storm Drain	20		Temporary	Yes
14th Street Skate Park	10		Temporary	Yes
Total	30			

VI. Activities Promoting “Green” Concepts

A. Activity Name: Arlington Avenue Storm Drain

Will this activity promote any of the following items (yes/no)? Yes

Check all that apply:

	Energy Conservation		Smart Growth
	Green Building Technology	X	Reduced pollution Emissions

Description of how activity will achieve above items:

The project design calls for a drain insert that is intended to capture trash and bacteria that would otherwise end up in the Los Angeles River. The Arlington Area has been subject to flooding for the last 20 years creating large amounts of water-soaked trash and debris. The proposed project will provide flood protection for up to a ten-year rain event, which will drastically reduce the amount of flood damaged trash and debris going to area landfills.

B. Activity Name: 14th Street Skate Park

Will this activity promote any of the following items (yes/no)? Yes

Check all that apply:

Energy Conservation	X	Smart Growth
Green Building Technology	X	Reduced pollution Emissions

Description of how activity will achieve above items:

The project is a "smart growth" in that it provides surrounding youth with a nearer local recreation choice that will reduce trips to faraway similar facilities within the City, hence, reducing pollution emissions.

VII. Program Administrator - Contact Information

Name:	Angela Reynolds
Address:	444W. Ocean Blvd. STE 1700 Long Beach, CA. 90802
Telephone #:	(562) 570-7403
Email Address:	alhagos@longbeach.gov

VIII. Certifications

The required HUD certifications will be completed and inserted subsequent to City Council approval of the amendment.