

## REPORT TO THE CITY COUNCIL

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**DATE:** November 20, 2018

**TITLE:** Community Development Block Grant (CDBG) Program  
Grant for Fiscal Year 2019-2020

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**Reviewed by:** Linda Kelly, Finance Director

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### RECOMMENDATION

**Adopt a Resolution of the City Council of the City of Desert Hot Springs authorizing participation in and authorizing the City Manager to approve all agreements and necessary documents associated with the Community Development Block Grant (CDBG) for the Fiscal Year 2019-2020.**

### BACKGROUND

Each year the City receives an entitlement allocation of the Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD).

The City's 2019-2020 CDBG allocation is estimated at \$209,110. The majority of these funds must be spent on capital projects, such as housing, public facility improvements, or eligible public works projects. Due to the federal budget process, the exact amount of the City's 2019-2020 allocation may not be known until as late as May.

All CDBG activities must meet a national objective, usually by benefitting low-income persons or eliminating blight. At least 70% of the CDBG funds must be used for activities that benefit low-income persons. This restriction and the corresponding data collection requirements make qualifying of CDBG funding challenging for many cities.

In addition to meeting a national objective, the activity itself must be designated as eligible. CDBG funds may be used for a variety of community development activities including acquisition of real property, rehabilitation of residential and non-residential structures, construction of public facilities and improvements, public services, and economic development and job creation/retention activities.

### DISCUSSION

In 2013, after receiving considerable citizen input, a City of Desert Hot Springs Parks Master Plan was created and adopted by the City Council. To meet the then current and future needs of the community, the Plan addressed the need for additional parks and sports fields (particularly to be used by youth) and additional recreational opportunities. The Demand and Needs Analysis created in conjunction with the Plan stated that for the City's population, it was deficient in baseball fields, softball fields, youth football fields, outdoor basketball courts and other categories.

On October 17, 2017 staff presented recommendations to the City Council and received approval for a new park at the Corporation yard that would serve the recreational needs of the community. The site would allow for organized group activities and would be easily accessible by motorist, pedestrians and bicyclists.

On June 18, 2018, the Riverside County Board of Supervisors approved the City's CDBG project for the 2018-2019 Program year for the development of the new park. Creation of the project will be a multi-year effort. The overall project will entail the design, engineering and development of a new park at the City's 10-acre Corporate Yard, which is located next to multiple residential neighborhoods. Approximately 3/4 of the site will be allocated to the park

and sports fields; 2.5 acres will be allocated to the Corporate Yard. With the current design, roughly half of the Corporation Yard will be relocated to the northwest corner of the site and the main building and animal center will be unaffected.

The City plans to utilize all the 2019-2020 CDBG funds towards Phase two of this project, consisting of preliminary construction activities leading into final construction award, which includes, site preparation, utility relocation, etc.

The new Corporation Park project will benefit residents by adding to the identity and character of the area, providing a sense of belonging, promoting a healthy lifestyle, and contributing to positive youth development. Total park space within the City is just over 73 acres and will add 10% of new recreational space for residents. The preliminary site plan may change once design is completed in phase one of this project.

### **FISCAL IMPACT**

There is minimal fiscal impact to this item being presented. All construction costs up to \$209,110 will be reimbursed by the CDBG program. The City must provide the cash flow necessary for the construction.

To construct this park Staff estimates a total project cost of \$2.44 million. Final costs will be determined during the design phase.

Design	\$200,000
Little league baseball field	\$500,000
Youth football field	\$550,000
ADA restrooms	\$200,000
Snack shack	\$210,000
Parking lot	\$180,000
Bleachers/shade area	\$200,000
Corp Yard Improvements	\$200,000
Contingency	\$200,000
Total: \$2,440,000	

### **Park Financing Plan**

The City must consider using phasing and multiple sources of funding to finance the project, including grants, cash and possibly incurring new debt. The full allocation for 19/20 CDBG money will be applied to the estimated construction contract costs. The City will apply for a State Park grant that is coming due in early 2019. The City was previously awarded this funding for building the Health and Wellness Center. Assuming the City is awarded the full amount of the grant, there still leaves a \$411,890 funding gap to complete the project. Additional funding sources could come from Quimby fees, Parkland Development Impact fees and 2020-21 CDBG funding. A final financing plan will be presented to City Council once the design and cost estimates are completed.

2018/19 CDBG	\$219,000
2019/20 CDBG	\$209,110
State Parks Grant	\$1,600,000
Funding Gap	\$411,890

### **EXHIBIT(S)**

- 1) Resolution authorizing participation in and authorizing the City Manager to approve all agreements and necessary documents
- 2) CDBG Grant Application
- 3) Preliminary Site Plan, Parks Master Plan and Other CDBG Application Attachments