



## Legislation Details (With Text)

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**On agenda:** 5/14/2020    **Final action:** 5/14/2020

**Title:** Actions pertaining to proposed Substantial Amendment 2019-02 to the 2019-2020 Annual Action Plan:  
1. CONTINUED HEARING to obtain public comments regarding Substantial Amendment 2019-02 to the 2019-2020 Annual Action Plan to reprogram Community Development Block Grant (CDBG) entitlement funds for the construction of a Multigenerational Community Center in Large Park, located at 4424 N. Millbrook Avenue, Fresno, CA 93726; and  
2. RESOLUTION - Adopting Substantial Amendment 2019-02 to the 2019-2020 Annual Action Plan to submit a request to the U.S. Department of Housing and Urban Development (HUD) to reprogram CDBG entitlement funds for the construction of a Multigenerational Community Center and authorizing the City Manager to sign all necessary implementing documents

**Sponsors:** Planning and Development Department

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution, 2. Summary, 3. Public Draft of 2019-2020 Substantial Amendment No 2019-02, 4. Redline Version of Substantial Amendment No 2019-02, 5. Summary of Funding Sources

Date	Ver.	Action By	Action	Result
5/14/2020	1	City Council	adopted	Pass

## REPORT TO THE CITY COUNCIL

**May 14, 2020**

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**THROUGH:** THOMAS MORGAN, Housing Manager  
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## SUBJECT

Actions pertaining to proposed Substantial Amendment 2019-02 to the 2019-2020 Annual Action Plan:

1. CONTINUED HEARING to obtain public comments regarding Substantial Amendment 2019-

- 02 to the 2019-2020 Annual Action Plan to reprogram Community Development Block Grant (CDBG) entitlement funds for the construction of a Multigenerational Community Center in Large Park, located at 4424 N. Millbrook Avenue, Fresno, CA 93726; and
2. RESOLUTION - Adopting Substantial Amendment 2019-02 to the 2019-2020 Annual Action Plan to submit a request to the U.S. Department of Housing and Urban Development (HUD) to reprogram CDBG entitlement funds for the construction of a Multigenerational Community Center and authorizing the City Manager to sign all necessary implementing documents

## RECOMMENDATION

Staff recommends the City Council obtain the views and comments from interested persons regarding Substantial Amendment 2019-02 to reprogram CDBG entitlement funds for the construction of a Multigenerational Community Center; thereafter adopt Substantial Amendment 2019-02 to the 2019-2020 Annual Action Plan; and authorize submission of Substantial Amendment 2019-02 to HUD.

## EXECUTIVE SUMMARY

The reprogramming of \$2.55 million in CDBG entitlement funds has been identified as a key component in the financing plan for the proposed Multigenerational Community Center. In order to secure this financing, HUD requires an approved Substantial Amendment to the 2019-2020 Annual Action Plan. The proposed reprogramming request includes \$52,818.52 of prior-year project savings and a \$2,497,181.48 payment to the City's CDBG letter of credit.

## BACKGROUND

In the 2015-2019 Program Year Consolidated Plan, the City of Fresno (City) identified the provision of public facility improvements to strengthen neighborhood revitalization and assistance to low-income and special needs households as two of its goals. These goals were driven by a strong demand for services and facilities to meet the needs of youth, seniors, and neighborhoods, with many expressing a desire to see multiple services integrated into one common space. In an effort to meet these goals, the City is proposing to construct a new 10,000 square foot Multigenerational Community Center and improved park amenities that will increase the quality of life for low- and moderate-income persons in the surrounding neighborhoods. Specifically, the community center would improve the quality of life for constituents by providing youth with after school activities, senior enrichment activities, recreational space, meeting space, and improved green space with sports fields and a tot lot.

The approximately 6.34 acre project site is Large Park, located at 4424 N. Millbrook Avenue, Fresno 93726 (APN 428-071-02). Large Park is owned by the City, and is bounded on the north by the Thomas Elementary School site (south of E. Gettysburg Avenue and east of N. Millbrook Avenue), on the east by N. 8th Street, on the south by E. Ashcroft Avenue, and on the west by N. Millbrook Avenue. The subject site is surrounded by low density residential to the east, south, and west and a public school to the north. Over sixteen thousand (16,520) residents live within a half mile radius of the site. According to the latest income data, 9,805 or 59% of the residents within the radius are low- or moderate-income. The proposed site meets HUD National Objective requirements for a Low Mod Area in a primarily residential area (24 CFR 570.208(a)(1)).

The cost of the new facility will be based on a number of factors, including the conceptual plan. As part of the design development process, the City will conduct a citizen outreach campaign to identify

the features and amenities that residents will want in the new facility. Potential features could include, but are not necessarily limited to:

- Multi-use concept meeting and recreation area with modular walls for small group activities
- Kitchen for warming meals
- Area to accommodate after school activities and senior activities
- Office space and space for meetings
- Play area with playground and tot lot
- Expansion of existing on-site parking
- Two sports fields

Based on these and other factors, the City estimate to construct the facility is \$10.75 million.

The reprogramming of \$2.55 million in CDBG entitlement funds has been identified as a key component in the financing plan for the proposed Multigenerational Community Center. The proposed reprogramming request includes \$52,818.52 of 2019 Program Year project savings associated with the Marjaree Mason Center Kitchen Remodel, and a \$2,497,181.48 payment to the City's CDBG letter of credit from PARCS capital funds already allocated for the Multigenerational Center. The remaining financing would come from the proposed \$7,500,000 HUD Section 108 Loan approved by Council on April 9, 2020, and \$700,000 of CDBG entitlement previously approved for this project. Please see the attachment for a summary of funding sources.

**SUBSTANTIAL AMENDMENT PROCESS:** In order to reprogram funds, HUD requires a Substantial Amendment. The amendment process involves conducting two Public Hearings on the Draft Substantial Amendment. The table below summarizes the citizen participation component of the process. The City provided notices in English in the Fresno Bee, Spanish in Vida en el Valle, and announcements were read in Hmong on radio station KBIF. Additionally, notices were distributed electronically through social media and to the e-mail distribution list of over 500 addresses used by the Planning and Development Department. The City also made the Substantial Amendment available on the City's website, the City Clerk's Office, Fresno County Libraries, City Neighborhood and Community Centers, and at the City Hall administrative office of the Planning and Development Department.

#### Citizen Participation

- February 25, 2020 - Public Notice Published in Fresno Bee
- February 25, 2020 - Public Notice Distributed via Social Media and Email
- February 28, 2020 - Draft Substantial Amendment Published - Minimum 30-day public review period commences
- March 4, 2020 - Public Notice Published in Vida en el Valle
- March 24, 2020 - Public Notice of Continued Hearings (COVID-19 Related Postponement)
- April 3, 2020 - Public Review Period closes
- May 13, 2020 - Housing and Community Development Commission (HCDC) Public Hearing, with remote participation
- May 14, 2020 - City Council Public Hearing and consideration of the Substantial Amendment, with remote participation

To date, the City has not received any public comments. City staff will provide a verbal update of all public comments received during the May 13, 2020, HCDC meeting.

## ENVIRONMENTAL FINDINGS

Staff has conducted a preliminary review of the project and has determined that it is exempt from CEQA pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) under the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Because the proposed action is for City Council to approve the reprogramming of federal funds and does not commit the City to any one particular option set forth in the document, it can be seen with certainty that there is no possibility that the proposed City Council action may have a significant effect on the environment. Therefore, this action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). The HUD NEPA environmental assessment is in the process of being prepared. The proposed action to reprogram funds does not commit the City to a choice limiting action.

## LOCAL PREFERENCE

Local preference is not applicable.

## FISCAL IMPACT

The \$10.75 million proposed financing includes a \$7,500,000 Section 108 loan request which pledges a portion of the City's Program Year 2020-2039 CDBG entitlement funds as collateral for repayment; \$2,497,181.48 of general fund appropriations previously approved for this purpose; \$700,000 of CDBG funds allocated as part of the 2018 and 2019 Annual Action Plans, and \$52,818.52 of reprogrammed CDBG project savings.

Attachment: Resolution  
Summary  
Public Draft of 2019-2020 Substantial Amendment No. 2019-02  
Redline Version of 2019-2020 Substantial Amendment No. 2019-02  
Summary of Funding Sources