



## LEGISLATIVE MEMORANDUM

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Scott Morgan, Interim City Manager

**THRU:** Joan Junkala-Brown, Deputy City Manager, Acting Director for CED

**DATE:** April 3, 2025

**RE:** Consideration of Substantial Amendments #2 to the City's approved Program Years 2022-2023, 2023-2024, and 2024-2025 CDBG Action Plans for Community Development Block Grant funds, only one hearing required.

### SUMMARY:

At the February 19, 2025 regularly scheduled meeting of the Community Development Advisory Board, the Board recommended that Council approve a substantial amendment to Program Years (PY) 2022-2023, 2023-2024, and the 2024-2025 Community Development Block Grant (CDBG) Action Plans as outlined below. In accordance with the U. S. Department of Housing and Urban Development (HUD) regulations and the City's CDBG Citizen Participation Plan, the proposed amendments constitute a substantial amendment that requires a legal advertisement in Florida Today, which was published on February 19, 2025, providing for a 30-day public comment period ending on March 21, 2025. No comments were received to date, however any public comments received through the end of the comment period including at this public hearing will be provided to the U.S. Department of Housing and Urban Development. The substantial amendment shall be heard in a public hearing by City Council followed by submittal to HUD for final approval and acceptance.

In accordance with the requirements of 24 CFR Part 91.105 (c), the City of Palm Bay hereby proposes to reallocate leftover funds from completed projects, cancel a project, and allocate funds to a new project that is ready to start. This substantial amendment also corrects Substantial Amendment #1 that was submitted to City Council on February 20, 2025, changing the activity named Housing Rehabilitation Specialist to Housing Activity Delivery cost. Inspectors hired to work under this activity may work in-house (for the City) or be contracted. The substantial amendment provides further details below.

### AMENDMENT NO. 1 - FUNDING REDUCTION

Original Activity Name: PY 2024 Public Works Construction of Sidewalks (east end of San Filippo Blvd. from Wichita Blvd. to Eldron Blvd.)

Original CDBG Funding Amount: \$270,266

Description: The scope of this project includes construction of an 8-foot sidewalk along the east side of San Filippo Blvd. for the segment from Wichita Blvd. to Eldron Blvd.

Proposed Changes and Reasons for Changes: New census data shows that this project no longer meets the minimum 51% low- to moderate-income area benefit requirement. Therefore, no CDBG funds can be spent on this project. Staff recommends this project be cancelled. This corrective action is necessary to comply with the U.S. Department of Housing and Urban Development (HUD) project eligibility guidelines.

Project Status: Cancelled and funding reduced to \$0.

Reallocation Amount: Transfer \$270,266 from (Cancelled) San Filippo Blvd. from Wichita Blvd. to Eldron Blvd. and reallocate the funds to Liberty Park Improvements Phase II.

## **AMENDMENT NO. 2 - FUNDING INCREASE FOR NEW PROJECT**

Original Activity Name: PY 2024 Liberty Park Improvements Phase II

Original CDBG Funding Amount: \$270,266

Description: The scope of work shall include all labor, materials, equipment, permits, drawings, and services necessary for the proper completion of the rehabilitation of two (2) restroom buildings. Also, installing eight (8) sunshades to cover the bleachers around the softball fields; installing new softball outfield fencing; and installing a new concrete sidewalk.

Proposed Changes and Reasons for Changes: Park improvement projects deliver a multitude of benefits, impacting community health, environmental well-being, economic vitality, and social cohesion. These improvements enhance the quality of life for residents and contribute to a more vibrant and sustainable environment. These improvements are needed and necessary to improve and sustain the park facility.

Project Status: Budgeted

Reallocation Amount: Transfer \$270,266 from cancelled sidewalk construction project that was located on the east end of San Filippo Blvd. from Wichita Blvd. to Eldron Blvd. Funds will be moved to Liberty Park Improvements Phase II. Liberty Park Improvements Phase I was advertised in Substantial Amendment #1 on January 15, 2025, totaling \$134,190, plus this Substantial Amendment, which will provide \$270,266 to Liberty Park Improvements Phase II. Total budgeted for Liberty Park Phases I and II is \$404,456.

## **AMENDMENT NO. 3 - NEW ACTIVITY**

Activity Name: Housing Rehabilitation Inspections Activity Delivery Costs

Funding Amount: \$52,607.65

Funding Source: PY 2022 and 2023 leftover funds from completed projects

Description: Housing Rehabilitation Activity Delivery Costs – Includes all delivery costs (including staff, other direct costs, and services costs) directly related to carrying out housing rehabilitation activities. Some examples include appraisals, architectural, engineering, and other professional services; preparation of work specifications and work write-ups; surveys, site and utility plans,

application processing and other fees. Other examples include inspecting properties and preparing cost estimates. Preparing documents for bid invitations and coordinating the distribution of bid packages to qualified contractors. Reviewing bids/project cost proposals and advising on the most cost effective/beneficial rehabilitation package. Assisting with the coordination of construction schedules with contractors and homeowners. Monitoring/inspecting construction and rehabilitation projects for compliance with workmanship standards, specifications, adherence to code, property rehabilitation standards, contract conditions, and progress payment disbursements. Approving progress and final payment requests. Providing project updates to homeowners and explain to them the different phases of construction and project timelines. Assisting in resolving conflicts between homeowners and contractors. Providing information regarding the Housing Rehabilitation Program and other relevant information to the public.

Proposed Changes and Reasons for Changes: This notice corrects the Substantial Amendment #1 advertisement published in Florida Today on January 15, 2025, changing the activity named Housing Rehabilitation Specialist to Housing Rehabilitation Activity Delivery Cost. Inspectors hired to work under this activity may work in-house (for the City) or be contracted. City staff has confirmed with HUD that CDBG funds may be used for project delivery related to HOME-funded projects.

Reallocation Amount: Transfer \$50,710 from remaining Administration funds along with \$1,897.65 from PY 2022 and 2023 leftover funds from completed projects to fund this activity.

***Please note that Amendment No. 3 'Housing Rehabilitation Activity Delivery Costs' includes a scope that exceeds what is authorized by the Florida Building Code, as administered and enforced by the City's Building Department. Activity/Project Delivery Costs includes initial walk-through, preparation of a scope of work, construction and program monitoring, to name a few. While such services cannot be funded by the Building Enterprise Fund as these are not activities enforced by the Florida Building Code, Building Department personnel may be reimbursed by CDBG funds for time spent performing such activities for which they may be otherwise qualified to perform. The Community & Economic Development Department/Housing Division will also solicit outside contracting services to assist in performing such activities for which Housing Division staff are not qualified to perform.***

**REQUESTING DEPARTMENTS:**

Community & Economic Development

**FISCAL IMPACT:**

If approved, the Substantial Amendments related to funding decreases and/or increases will appear on the next scheduled Budget Amendment. Subsequent budget transfers will be completed

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to move the monies into the appropriate CDBG accounts.

**STAFF RECOMMENDATION:**

Motion to approve Substantial Amendments to Program Years 2022-2023, 2023-2024, and 2024-2025 CDBG Action Plans and submittal to the U. S. Department of Housing and Urban Development for approval.

**ATTACHMENTS:**

1. Florida Today Advertisement – February 19, 2025