



**SUBSTANTIAL AMENDMENT  
CITY OF CATHEDRAL CITY  
FY 2014 and 2015 ANNUAL ACTION PLANS**

Jurisdiction: City of Cathedral City  
Program: Community Development Block Grant (CDBG)  
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**Summary of Changes:**

The City of Cathedral City is recommending a Substantial Amendment to its Fiscal Year (FY) 2014-15 and 2015-16 Community Development Block Grant (CDBG) Annual Action Plans to program the unallocated funds leftover from previous projects that have been completed within these fiscal years. These funds have accumulated over the span of two years because the City has been fortunate to receive project bids at amounts less than the estimated cost. The City is proposing to combine the leftover monies from the 2014-15 and 2015-16 CDBG awards to fund one public improvement project that will benefit low and moderate income residents.

Additionally, in FY 2012-2013, the City offered Revolving Loans for income eligible residents to connect to their local sewer system. The City did not receive much interest and participation in this program and only entered into ten (10) loans. According to the loan terms, a lien was placed on the property until the entire amount of the loan is repaid. A few of these loans have been repaid through the refinance process while other residents continue to pay their monthly obligation of the loan. To date, the City has accumulated just over \$11,000 of payments from these Revolving Sewer Loans.

City staff is also recommending this amount (and any program income generated funds) be spent before the end of this fiscal year and end of this Five-Year Consolidated Plan cycle. Approval of this recommended action will ensure that the City will not have any significant funds pending going forward with its new Consolidated Plan and programs beginning July 1, 2017.

The Substantial Amendment will allow for adjustments to the Annual Action Plans so that this Project is properly accounted for within the fiscal year (FY) in which the federal funds were made available and program dollars for the new activity that were not previously mentioned in the Action Plans.

The proposed Substantial Amendment will:

- Allocate approximately \$218,425.52 the remaining funds from the FY 2014-15 Action Plan to the Whitewater Neighborhood Street Improvements; and,

- Allocate approximately \$76,530.12 remaining funds from the FY 2015-16 Action Plan to the Whitewater Neighborhood Street Improvements; and,
- Allocate the program income generated from the former Revolving Sewer Loans in the amount of \$11,033.71 (and any other program income generated before the end of the fiscal year) to the Whitewater Neighborhood Street Improvements.

The approval of the Substantial Amendment to the FY 2014-15 and 2015-16 Annual Action Plans will allow the City to complete public street reconstruction and associated repairs to sidewalks, curbs, and gutters located in an income-eligible neighborhood of the City. The undertaking of this project meets one of HUD's National Objectives: benefitting low-and moderate income people and the respective area.

### **Proposed Activities:**

#### Whitewater Neighborhood Street Improvements Project (Project)

The proposed Project is comprised of six residential roads located within a low and moderate income area in Census Tract 449.15 (Block Group 1): Canyon Vista Road, Monte Vista Road, Aurora Vista Road, Desert Vista Road, Cielo Vista Road, and Rancho Vista Road. These streets are situated parallel from each other between Ramon Road to the north and Corral Road to the south. Each segment of road that will be reconstructed is 1,190 feet in length; approximately 283,000 square feet of asphalt will be used to complete this Project.

In addition to these streets being in a low- and- moderate income area, the proposed Project is to be undertaken by the City because these streets are showing severe signs degradation and pronounced cracking. Certain sections of these streets contain potholes that have emerged due to standing and collecting runoff water. Reconstructing these streets will also provide better accessibility benefitting the residents of this area.

### **Overall Budget:**

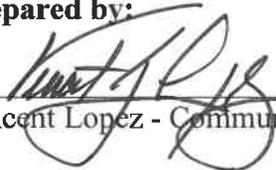
Under HUD guidelines, entitlement grantees must allocate no more than fifteen percent (15%) of the entitlement on public service projects and not more than twenty percent (20%) on administration and management of the CDBG Program. The remaining sixty five percent (65%) is typically allocated to making public improvement in areas that have a direct benefit to low-and- moderate clientele. The remaining funds leftover are a result of public improvement projects that have come in at a cost savings.

The City will program the \$305,989.35 of remaining unallocated funds from the previously approved Action Plans and public improvement projects and any program income accumulated from the repayment of the Revolving Sewer Loan, described there within, to the Project.

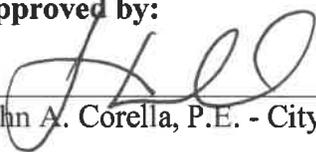
The table below outlines provides a summary of the prior year funding to be reprogrammed:

Program Year	Project (from)	Project Funding	Project (to)	Project Funding
FY 14/15	Unallocated Balance	\$218,425.52	Whitewater Neighborhood Street Improvements	\$218,425.52
FY 15/16	Unallocated Balance	\$76,530.12	Whitewater Neighborhood Street Improvements	\$76,530.12
FY 15/16	Program Income (Revolving Sewer Loans)	\$11,033.71	Whitewater Neighborhood Street Improvements	\$11,033.71
<b>Total</b>				<b>\$305,989.35</b>

**Prepared by:**

  
 Vincent Lopez - Community Development Specialist

**Approved by:**

  
 John A. Corella, P.E. - City Engineer