



COMMUNITY DEVELOPMENT DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA
95014-3255 TELEPHONE: (408) 777-3308 • FAX: (408) 777-3333
CUPERTINO.ORG

CITY COUNCIL STAFF REPORT

Meeting: October 10, 2023

Subject

Community Development Block Grant (CDBG) Program funding allocation for the Senior Center Fire Alarm Upgrade Project.

Recommended Action

1. Authorize the use of CDBG funding to upgrade the fire alarm system at the City's Senior Center, as part of the Capital Improvement Programs (CIP) Building Condition Assessment (BCA) Improvements project.
2. Adopt Resolution no. 24-XXX approving Budget Modification no. 2324-305 increasing appropriations in the Capital Improvement Programs Capital Project Fund for the Building Condition Assessment (BCA) Improvements project by \$367,951.38 through the use of CDBG funding.

Reasons for Recommendation

Background

Each year the City goes through an annual funding process for its grant programs, which culminates with the City Council reviewing and approving funding allocations for the programs. This year, Council review and approval occurred on May 2, 2023, which included the Community Development Block Grant (CDBG) Program. The applications received did not fully obligate the funds available, leaving a portion of CDBG funding unallocated until a suitable, eligible project could be found. Staff has now identified an eligible project in the CDBG Capital/Housing category, the upgrading of the fire alarm system at the City's Senior Center.

Housing Commission Recommendation

According to Section 2.86.100 of the City's municipal code, one of the powers and functions of the Housing Commission is to make recommendations regarding requests for money from the CDBG and Affordable Housing Funds. The Housing Commission held a public hearing during its regular meeting on September 14, 2023, to review the proposed Senior Center Fire Alarm Upgrade Project for submission to the U.S.

Department of Housing and Urban Development (HUD) on the condition that the City Council approves the use of CDBG funding for the project. The Commission unanimously (4-0, 1 absent) recommended approval of the proposed CDBG funding allocation for the Fire Alarm Upgrade Project at the City's Senior Center.

CDBG Funding for the Senior Center Fire Alarm Upgrade Project

HUD annually allocates CDBG funding to local jurisdictions for a range of community development activities. HUD regulations require that eligible activities selected for funding must benefit very low, low, or moderate-income households, eliminate a blighted area, or address an urgent (emergency) community need. Per CDBG regulations, the activities must also meet a HUD national objective, and fall under an eligible activity category. After meeting with HUD staff and considering the eligibility criteria, it was determined that a project at the City's Senior Center would be the best fit to receive CDBG funding.

In 2018 the City commissioned a Building Condition Assessment (BCA) report (Attachment A), which was updated in 2022, to gauge the condition of all of its facilities, including the Senior Center. The BCA is used to generate new projects and ranks them based on their priority level. This report determined that the existing fire alarm system at the Senior Center is approaching the end of its useful life and needs to be replaced with a complete, sitewide, fully addressable system. Since this project is crucial for the safety of the seniors and others at the Senior Center, it was determined to be priority level one. The BCA also estimated the cost of the project to be approximately \$310,000 based on a number of factors including construction, architect/engineer fees, construction management, contingency, and permits. Based on the actual costs for similar projects at other City facilities, the cost estimate was revised to approximately \$340,000.

When using CDBG funding for a construction project, the project must comply with federal labor provisions, including Davis-Bacon and Related Acts (DBRA). Given this, a labor standards consultant will be procured to ensure these provisions are followed, and the estimated cost for this consultant is approximately \$20,000, bringing the total estimated cost for the Senior Center Fire Alarm Upgrade Project to approximately \$360,000.

After the City Council approved the funding allocations for the City's grant funding programs on May 2, 2023, there was an excess \$367,951.38 in CDBG Capital/Housing funds that were left. City staff is now proposing to use this funding for the Senior Center Fire Alarm Upgrade Project.

Sustainability Impact

Authorization of the use of CDBG funding for this project will not result in a sustainability impact.

Fiscal Impact

The CDBG program and its projects are funded by HUD grant funds. Authorization of the use of CDBG funds by transfer (260-90-001) to the Capital Improvement Fund will provide funding for the Building Condition Assessment Report Improvements - Senior Center Fire Alarm Upgrade project (420-99-063).

California Environmental Quality Act

This proposed grant award is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 (maintenance of existing facilities). If approved for funding, the project will follow the proper environmental review procedures for the design and implementation of the work in order to comply with CEQA and National Environmental Policy Act (NEPA) requirements.

<u>Prepared by:</u>	Alec Vybiral, Assistant Housing Planner
<u>Reviewed by:</u>	Luke Connolly, Assistant Director of Community Development Benjamin Fu, Director of Community Development
<u>Approved for Submission by:</u>	Matt Morley, Assistant City Manager Pamela Wu, City Manager

Attachments:

- A - Senior Center Building Condition Assessment Report
- B - Draft Resolution