

**PLANNING AND DEVELOPMENT DEPARTMENT  
MEMORANDUM 16-23**

**DATE:** November 7<sup>th</sup>, 2016  
**TO:** Honorable Mayor Joyce Downing and City Council Members  
**FROM:** James A Hayes, AICP, City Manager *JH*  
Brook Svoboda, Director of Planning and Development *BS*  
**SUBJECT:** 2017 CDBG Project Programming Recommendation

---

**BACKGROUND**

Adams County Community and Neighborhood Resources (ACCNR) is the county department that administers the CDBG sub recipient funding allocations received from the Department of Housing and Development (HUD). As a sub-recipient community, Northglenn applies to the ACCNR for CDBG eligible programs. For several years, Northglenn has used some of the CDBG funds towards the Help for Homes (H4H) program, now known as Minor Home Repair (MHR), which provided grants for minor home repairs to residents that are income qualified within the City.

For 2017 the City will receive \$205,347.00. This is a reduction from the previous year by approximately \$8,866.00.

2016 FY CDBG Allocation:

The 2016 CDBG funds were allocated to the City's sidewalk replacement program. The project was put to bid in July of 2016 and received only one bidder. Per HUD (Housing of Urban Development), a minimum 3 bids are required. As a result, Staff will rebid the project in January of 2107 with a spring start date and completion by early summer 2017. Adams County has granted an extension on this project so that we will remain in compliance with funding requirements

Challenges in identifying Projects/Programs: One challenge to spending CDBG funds is identifying a project scope that does not trigger an Environmental Assessment (EA). EA's generally, cost between \$20k-\$30k to prepare and take 2-6 months to complete. Taking into account that the City receives roughly \$200k per year, a project that triggers an EA effectively reduces the amount of monies that could be spent on the actual project.

Another challenge is that projects over \$25k require Davis Bacon<sup>1</sup> compliance. This can add 20%-30% to the cost of a project due the increased administrative procedures and pay scales applied to a given project, further reducing the amount monies that can spent on the actual scope of the project.

Lastly, the HUD is putting increasing pressure on Urban County designees to spend funds within the calendar year. What makes this exceptionally challenging, is that the HUD does not award/release the 2016 monies until March/April. If your project requires a EA, that could take

---

<sup>1</sup> Davis Bacon: (Payment of Prevailing Wage Rates / Payroll Requirements) The 1931 **Davis-Bacon** Act requires the payment of prevailing wage rates to all labors and mechanics on Federal or Federally assisted construction contracts. Overall program responsibilities are administered by the U.S. Department of Labor

2-6 months to complete before you can put the project out to bid, and taking into account the City's RFP procurement and award process, it could very well be November before a project could start. Leaving less than 60 days to complete the project and stay in compliance with HUD expectations. HUD has represented that not completing projects in a "timely manner" would result in the loss of funds.

### **RECOMMENDATION**

Staff is recommending for 2017 to pursue a, Public Infrastructure Improvements Project - sidewalk repair and handicap ramp accessibility in residential neighborhoods.

### **STAFF REFERENCE**

Brook Svoboda, Director of Planning and Development [bsvoboda@northglenn.org](mailto:bsvoboda@northglenn.org) 303.450.8937