



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
August 6, 2024

TOPIC: Downtown Business Improvements Initiative

AGENDA TITLE

Agreement with the U.S. Department of Housing and Urban Development (HUD) and Appropriation Adjustment to Recognize \$2,500,000 in Grant Funds for the Downtown Business Improvements Initiative Project

RECOMMENDED ACTION

1. Authorize the City Manager to execute the grant agreement with the U.S. Department of Housing and Urban Development (HUD).
2. Approve an appropriation adjustment to recognize \$2,500,000 from the US Department of Housing and Urban Development for the Downtown Business Improvement Initiatives Project into Federal Grant revenue account (no. 41818002-52001 Federal Grant-Direct) and appropriate the same amount into expenditure accounts (no. 41818834-62300 Contract Services – Professional and 418834-61000 Salaries Regular). *(Requires five affirmative votes)*

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

In the Consolidated Appropriations Act of 2023 (Public Law 117-328), Congress allocated more than \$2.9 million in funding for grants designated for Economic Development Initiatives in the nation (EDI). The distribution of these awards falls under the purview of the Department of Housing and Urban Development (HUD) within the Office of Community Planning and Development. In 2022, the City of Santa Ana (City) applied to the District 46 Congressman Luis Correa's Office to request an earmark grant to fund the Downtown Business Improvement Initiative. Fortunately, the City received a \$2,500,000 grant for its Downtown Business Improvements Initiative.

The grant will fund two significant infrastructure projects. The first project involves implementing a downtown wireless solution, combining Wi-Fi networks to enhance coverage and services across the area. This technological improvement will improve connectivity for visitors, residents, and businesses, while promoting economic development, enhancing public services, and provide an overall social and community benefit.

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The second project focuses on enhancing City-owned parking structures by upgrading lighting, signage, elevators, security cameras, and accessibility features. Improving the aesthetics and functionality of the structures will yield a safer environment, increased utilization and revenue, serve as a boost to local businesses, and provide some energy efficient cost savings.

To attract and retain patrons to shop and dine in the downtown area, critical infrastructure improvements to the downtown parking structures are urgently needed. Since being built in the 1980s, all three of the downtown parking structures continue to operate with the parking equipment from 2018 and need major upgrades. The equipment is becoming more expensive to maintain, resulting in inefficiencies and maintenance downtime.

With the support of this grant, these upgrades include refurbishing and repairing elevators, installing security cameras in all parking structure levels to provide much needed surveillance and safety, improved lighting on each level of each parking structure to provide safety for visitors and businesses, the addition of anti-vandalism covers to light fixtures and the re-routing of electrical wires away from easy access, the improvement of ADA access with rails, ground striping, and new upgraded pay stations with current technology. The second component of the initiative includes improvements to the overall Wi-Fi, internet, access, and/or fiber infrastructure improvements throughout the downtown area. Providing faster Wi-Fi infrastructure would benefit business owners, residents, and visitors, which ultimately enhances economic development efforts.

The Community Development Agency (CDA), in collaboration with the Public Works Agency and Information Technology Department (IT), will procure the appropriate contractors/consultants in compliance with grant regulations to develop design plans, obtain necessary permits, and complete the infrastructure improvements as indicated in the grant agreement.

CDA will oversee the project, prepare the necessary grant reports, and coordinate with the Department of Housing and Urban Development (HUD) to ensure project completion by Fall 2027, while acknowledging Congressman Luis Correa's Office for its support of local businesses in Santa Ana.

FISCAL IMPACT

Approval of the appropriation adjustment will recognize a total of \$2,500,000 in Federal Grant funds to revenue account (41818002-52001 Federal Grant-Direct) and appropriate same to the following expenditure accounts. Any remaining balances not expended at the end of the fiscal year will be presented to the City Council for approval of carryovers to FY 2025-26. The grant agreement allows up to 10% or \$250,000 to be used for indirect and administrative costs.

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Fiscal Year	Accounting Unit-Account	Fund Description	Accounting Unit, Account Description	Amount
FY 24-25	41818834-62300	CDA Capital Projects	Downtown Business Improvements, Contract Services - Professional	950,000
FY 24-25	41818834-61000	CDA Capital Projects	Salaries - Regular	50,000
FY 25-26	41818834-62300	CDA Capital Projects	Downtown Business Improvements, Contract Services - Professional	875,000
FY 25-26	41818834-61000	CDA Capital Projects	Salaries - Regular	125,000
FY 26-27	41818834-62300	CDA Capital Projects	Downtown Business Improvements, Contract Services - Professional	425,000
FY 26-27	41818834-61000	CDA Capital Projects	Salaries - Regular	75,000
Total Expenditures				\$2,500,000

EXHIBIT(S)

1. Agreement

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Alvaro Nuñez, Acting City Manager