

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA REGARDING THE RETURN OF FUNDS TO THE US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

THE CITY COUNCIL OF THE CITY OF TEMECULA DOES RESOLVE AS FOLLOWS:

Section 1. The City Council finds and determines as follows:

A. In 2012, the City was awarded by the United States Department of Housing and Urban Development (“HUD”) \$608,888.00 in Community Development Block Grant (“CDBG”) funds for the Sam Hicks Monument Park Playground Equipment Improvement Project (“Project”).

B. On April 28, 2015, the City Council approved a purchase and installation agreement with Nature Works, Inc., in the amount of \$483,170 for the construction of the Project.

C. Nature Works did not adequately perform under the contract, and the City advised HUD that there had been several delays with the contractor completing the Project and that the City was assessing liquidated damages on the contractor as of February 1, 2017 at \$1,000 per day. The City subsequently sued Nature Works for breach of contract, specific performance, declaratory relief, conversion, and intentional interference with contractual relation.

D. After consultation with HUD, on November 14, 2017, the City processed a Substantial Amendment to the 2012-13, 2015-16, 2016-17, and 2017-18 Annual Action Plans and re-programmed all of the remaining funds budgeted for the Project totaling \$251,516 into the Old Town Sidewalks – Boardwalk Replacement project. Specifically, the following amounts were reprogrammed to the Old Town Sidewalks - Boardwalk Replacement project:

1. From the 2012-13 Program Year - \$196,832.25; and
2. From the 2016-17 program year \$64,684.

E. On April 6, 2020, the City received a letter from HUD requesting that the City repay \$412,055.75 because the Project, as it was originally designed, contracted and paid for with CDBG funds was not ultimately constructed. HUD’s letter stated that the City will be able to utilize the \$412,055.75 it repays for other CDBG eligible projects.

Section 2. The City Council hereby authorizes the Finance Department to repay \$412,055.75 from non-Federal funds to the HUD. The repayment will come in the form of cancelling the Project in the Integrated Disbursement and Information System (“IDIS”), and providing to HUD documentation that \$412,055.75 has been allocated in a local City account for use on future CDBG eligible projects.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Temecula
this 26th day of May, 2020.

James Stewart, Mayor

ATTEST:

Randi Johl, City Clerk

[SEAL]

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF TEMECULA)

I, Randi Johl, City Clerk of the City of Temecula, do hereby certify that the foregoing Resolution No. 2020- was duly and regularly adopted by the City Council of the City of Temecula at a meeting thereof held on the 26th day of May, 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Randi Johl, City Clerk