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August 18, 1999

APPROVED
BY THE CITY COUNCIL

AUG 31 1999

OFFICE OF THE
CITY CLERK

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: AMENDMENT TO THE 1999 ONE-YEAR ACTION PLAN - CITY
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) -
PUBLIC HEARING

LOCATION & COUNCIL DISTRICT - City

RECOMMENDATION

Staff recommends adoption of the attached resolution which authorizes the Executive Director or her designee to:

1. Defund \$211,949 in previously approved CDBG activities either cancelled or delayed.
2. Appropriate \$254,249 in additional funding for previously approved activities.
3. Amend the 1999 One-Year Action Plan governing the use of entitlement funding from CDBG.
4. Execute all necessary agreements and contracts to carry out the recommended projects described in the body of this report.

CONTACT PERSONS

John Dangberg, Director Community Development, 440-1357
Cynthia Cavanaugh, Program Manager, 440-1322

FOR COUNCIL MEETING OF - August 31, 1999

SUMMARY

The attached resolution adjusts CDBG funding as part of a mid-year budget adjustment. Actions in this report will 1) cancel and defund CDBG funding previously appropriated for improvements at Woodbine Park; 2) partially defund street improvements in Strawberry Manor; 3) cancel funding for 1999 Human Rights/Fair Housing hotline; and 4) augment existing funding for improvements at

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Oak Park Community Center and Robertson Wading Pool. All approved activities must be reported to the U.S. Department of Housing and Urban Development (HUD) as an amendment to the 1999 One-Year Action Plan that details the use of CDBG funds.

COMMISSION ACTION

At its meeting on August 18, 1999, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Arundson, Burns, Harland, Hoag, Holloway, Newsome, Rotz, Simon, Dobbins

NOES: None

ABSENT: Castello, Cespedes

BACKGROUND

HUD's field offices have been notifying CDBG entitlement jurisdictions to strictly adhere to federal regulations requiring timely expenditures of CDBG funds. These regulations establish a minimum annual expenditure rate of CDBG funds to limit the level of unobligated and unexpended budget carryovers from previous years. Such carryovers sit idle in the U.S. Treasury, diminishing the CDBG program's ability to meet national objectives and provide public benefits. The actions recommended in this report will enable staff to move CDBG funding from cancelled and delayed projects to activities that will be initiated more expeditiously.

Additionally, HUD has notified the Agency regarding the ineligibility of CDBG funds for the Human Rights/Fair Housing hotline. An alternative source of funds has been identified to continue this activity in 1999.

Funds previously allocated to capital projects in Neighborhood Services Area 3 will be appropriated to a particular project in Area 3. These recommendations have been coordinated with City Public Works and Neighborhood Services Departments. The Terrace Manor Neighborhood Association has approved the additional funding for the Robertson Center Wading Pool.

The following chart summarizes the recommended funding actions.

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CDBG Re-Programming

Funding Amount	Source of Funds	Use of Funds
\$50,000	Reduce funding by \$50,000 for Strawberry Manor street improvements at Butterworth and Cathcart. Project cannot be scheduled until \$300,000 is assembled.	Augment 1996 CDBG funding for the Robertson wading pool by \$50,000 for a total commitment of \$120,000. City will cover remaining \$30,000. Construction will commence next Spring.
\$204,249	Cancel 1994, 1995, 1996, and 1998 appropriations totaling \$136,949 for Woodbine Park improvements that have not been initiated. Appropriate \$67,300 from 1999 entitlement appropriation for capital projects in Neighborhood Services Area 3.	Augment 1999 mid-year appropriation to Oak Park Community Center Rehabilitation project. Total CDBG funding will be \$254,249. Work will start Fall 1999.

CDBG Defunding

Amount	Defunded Activity Description
\$25,000	1999 Human Rights and Fair Housing Hotline – Project determined to be CDBG-ineligible by HUD. An alternative funding source has been identified to continue this activity in 1999.

FINANCIAL CONSIDERATIONS

The attached resolution authorizes the amendment of the Agency budget to reprogram CDBG funds as shown above.

POLICY CONSIDERATIONS

The actions recommended in this report are consistent with previously approved policies and federal requirements.

ENVIRONMENTAL REVIEW

The Agency's funding actions do not constitute a project under CEQA Guidelines, Section 15378(b)(3). All augmented activities have been reviewed under the requirements of the National Environmental Policy Act (NEPA) per HUD regulations and are ready for funding.

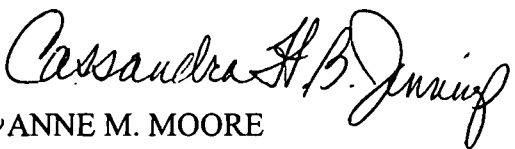
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M/WBE CONSIDERATIONS

The Agency's Minority and Women's Business Enterprise Program goals and policy will be applied to all projects, where required by the federal funding source.

Respectfully submitted,


for ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT P. THOMAS
City Manager



RESOLUTION NO. 99-497

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF

APPROVED
BY THE CITY COUNCIL

AUG 31 1999

OFFICE OF THE
CITY CLERK

AMENDMENT TO THE CITY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) 1999 ONE-YEAR ACTION PLAN

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. A public hearing having been held, Sacramento Housing and Redevelopment Agency (Agency) is authorized to amend the CDBG 1999 One-Year Action Plan. The following amounts shall be cancelled and allocated to Capital Reserve upon approval by the City Council:

- a. \$ 67,300 Neighborhood Services Area 3
- b. \$136,949 Woodbine Park Improvements
- c. \$ 50,000 Strawberry Manor neighborhood street improvements at Butterworth and Cathcart.
- d. \$ 25,000 Human Rights/Fair Housing Hotline
- \$279,249 Total Amount CDBG Funding

Section 2. A public hearing having been held, the 1999 CDBG One-Year Action Plan is amended to allocate the following amounts from Capital Reserve for the following projects;

- a. \$ 50,000 Robertson Wading Pool Construction
- b. \$204,249 Oak Park Community Center Improvements
- \$254,249 Total Amount CDBG Funds Allocated from Capital Reserve for Projects

Section 3. The Agency is authorized to execute contracts with the appropriate entities to carry out the projects as amended within the 1999 One-Year Action Plan and amend the Agency budget.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 4. The Agency is authorized to submit to the United States Department of Housing and Urban Development (HUD) the amended 1999 CDBG application for and on behalf of the City, including any public comment.

On a motion by Councilmember _____, seconded by Councilmember _____, the foregoing Resolution was passed and adopted by the City Council of the City of Sacramento, State of California, this _____ day of _____, 1999, by the following vote, to wit:

AYES:

NOES:

ABSENT:

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____