



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



8

January 13, 1987

Budget and Finance Committee
of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Report Back on 1987 CDBG-Funded Public Service Programs

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Redevelopment Agency and City Council of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolution approving the funding and contract execution.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:

Jack R. Crist

JACK R. CRIST
Deputy City Manager

Attachment

00960



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



January 5, 1986

Redevelopment Agency of the
City of Sacramento and
Sacramento City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Report Back on 1987 CDBG-Funded Public Service Programs

SUMMARY

The attached resolutions (1) amend the 1987 County CDBG budget by transferring funds from contingency to increase allocations for Emergency Housing and Housing Outreach Maintenance Education (HOME) Programs; (2) transfer an additional \$23,349 of Human Rights/Fair Housing funding to administration on the County 1987 Projected Use of Funds; (3) transfer funds from 1986 contingency to Human Rights/Fair Housing, Transitional Living and Community Support, and Housing Outreach Maintenance Education programs in order to transition these programs to a 12-month contract that begins March 1 of each year; and (4) authorize the Executive Director to amend contracts in accordance with this report and transmit necessary information to HUD.

BACKGROUND

At the Sacramento Housing and Redevelopment Commission meeting of November 17, 1986, the Commission requested that Agency staff present funding alternatives and recommendations to increase the budget for certain CDBG-funded public service programs.

Since then staff has analyzed all public service programs funded by either City or County CDBG and is recommending funding increases for the Emergency Housing Program operated by South Area Emergency Housing Center (SAEHC) and the Housing Outreach Maintenance Education (HOME) program operated by Lutheran Social Services (LSS). The attached chart (Exhibit A) lists all programs, their CDBG funding allocations since 1984, and comments on the sources and amounts of funding for each program.

1-13-87
All Districts

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Staff developed the following criteria for review of public services funding needs:

1. Whether or not the service was initially considered as a long term priority of the CDBG program.
2. The availability of other funding sources for the program.
3. The impact to services as a result of decreasing, increasing, or stabilizing the CDBG portion of the budget.

The two programs recommended for funding increases are South Area Emergency Housing Center and Lutheran Social Services (HOME). Both programs are primarily funded by CDBG and both were initially funded on a "long-term basis", that is, they were recognized as ongoing programs for which CDBG would need to provide funding. Several other programs were also reviewed. Our findings regarding these programs are outlined below:

The Human Rights/Fair Housing Commission (HR/FHC) is actually a City/County joint powers authority which provides services to persons of all income levels, and, therefore, does not entirely fall within the technical guidelines of a CDBG-funded public service. The County and City have each allocated \$7,000 of general funds to augment HR/FHC's 1987 budget.

Shared Housing (SAIL) and Community Information Center (CIC) were initially funded as "one-year" programs, but the lack of other funding sources hindered their ability to become more self-sufficient. Nonetheless, it is the intent of the CDBG Program to be only a contributing source to these programs.

Several of these programs do have other resources available to them. WEAVE, which is directly funded through County Welfare, receives funding from the County, United Way, donations, and special events. CDBG accounts for only about 30 percent of WEAVE's total budget.

Two of the public service programs are relatively new, the Women's Refuge and the Homeless Program for the Mentally Ill. Because these programs were initially funded this past year, (1986), our review indicates that their budgets are more current with costs than those whose initial budgets have been stabilized for several years.

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The Workrecreation Program, as shown on Exhibit A, has been slightly decreased in funding for 1987. This is made possible through use of more efficient ways to administer the program. Future cost-saving ideas for this program include the possibility of using SETA funds for salaries of youth involved in the program.

The increases recommended for SAEHC and LSS are basically consistent with County policy. The County has given four (4) percent cost of living increases to CBO's for both 1985/86 and 1986/87. In cases where CBO's have additional funding needs above the four percent, the County analyzes each request based on need.

Staff, therefore, recommends increases as follows:

1. Housing Outreach Maintenance Education (LSS) - \$7,000 (7.8%) These funds would allow maintaining the Lao/Hmong and Hispanic workers and for increases in travel costs. The breakout of the \$7,000 would be as follows:

Lao/Hmong and Hispanic Workers	\$4,500
Transitional Housing	
Program staff person	1,500
Travel	600
Phone & Postage	400
	<hr/>
	\$7,000

2. Emergency Housing (SAEHC) - \$16,349 (10% of Family Shelter budget)

This augmentation would cover increased costs for the existing program only (although both Family Shelter and Women's Refuge budgets have been combined to achieve costs efficiencies). The following indicates those budget line items recommended for increases as well as those where a savings will be achieved:

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Salaries	\$27,967
Insurance	2,489
Utilities	7,990
Telephone	876
Travel	1,500
Maintenance	- 500
Supplies	- 5,630*
Food	-18,343**
	<u>\$16,349</u>

* Attributable to start-up costs for Women's Refuge for 1986 and due to savings achieved from combining Family Shelter and Women's Refuge budgets.

** FEMA funding should be available for food for half of the year. The remaining cost savings are due to the combining of budgets as stated above.

Operational costs for the additional units planned for SAEHC should be analyzed closer to completion of the units since completion and occupation dates are uncertain at this point. This would also allow for more accurate cost analysis.

In order to accommodate the above recommendations and to maintain the statutory 15 percent cap on public services set by the Federal government, we are recommending categorizing an additional \$23,349 of HR/FHC funding as administration as shown on Exhibit C; this amount is the total recommended increase. It must be noted, however, that although this may solve the current problem, in the future there may be no way to accommodate budget increases. Once the 15 percent cap is reached, no more flexibility will exist, and, if there are any CDBG grant reductions, there may need to be cuts in public service programs.

During research on this issue the County was approached to determine if any adjustments in direct County programs' funding could be made to accommodate these increases. We were informed by the County's Administration and Finance Agency that this was not a possibility; therefore, we are recommending these increases be made entirely through CDBG budget adjustments.

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On a related issue, this report also recommends the adjustment of funds to allow for all contracts with independent public service providers to be 14-month contracts for 1987, (January 1987 through February 1988), followed by 12-month contracts thereafter. This will move the expiration date of all public service contracts to the end of February in order to coincide with our actual receipt of CDBG funds.

In recent years funds have been unavailable January 1, because of Federal administrative delays, deferrals, budget reauthorizations, etc. This poses a problem to public service providers who must maintain a constant cash flow in order to provide ongoing services. In some cases, providers must give lay-off notices when the funds are not secured by contract. SAEHC was changed to a March 1st - February 28th contract year when the County transferred that program entirely to CDBG funding, and it has worked very efficiently. There is actually no financial impact in the long term, although funds will need to be moved from contingency now to cover the last two months of the initial contracts. Since the 15% cap on public services applies to actual expenditures in the calendar year, this should also have no impact on the cap because monthly expenditures should not vary. In order to implement this, \$33,350 of County CDBG funds and \$63,317 of City CDBG funds will need to be transferred from 1986 contingency as shown in the chart in Exhibit B.

ENVIRONMENTAL REVIEW

All public service programs discussed in this report are continuing projects and have already been reviewed per NEPA and CEQA requirements.

POLICY IMPLICATIONS

This recommendation is in accordance with the policy of periodically analyzing the need for cost-of-living adjustments to programs funded through SHRA.

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FINANCIAL DATA

These proposed recommendations are necessary to maintain public service provision at the current level by accommodating cost-of-living adjustments for those organizations largely relying on CDBG funding.

In order to adjust the contract year for all outside public service providers, \$63,317 of 1986 City CDBG contingency and \$33,350 of 1986 County CDBG contingency will be reprogrammed as shown in Exhibit B.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of January 5, 1987, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The vote was as follows:

AYES: Glud, Moose, Sanchez, Sheldon, Simon, Simpson,
Wiggins, Wooley, Yew, Amundson, Pettit

NOES: None

ABSENT: None

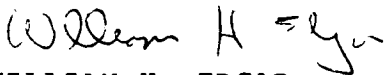
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RECOMMENDATION

Staff recommends approving the attached resolutions which (1) amend the 1987 CDBG budget by increasing funding for the Housing Outreach Maintenance Education Program (LSS) by \$7,000 and by increasing funding for Emergency Housing (SAEHC) by \$16,349, (2) transfer an additional \$23,349 of Human Rights/Fair Housing funding to CDBG administration on the County 1987 Projected Use of Funds; (3) transfer \$63,317 of 1986 City CDBG Contingency to Public service programs as follows: Transitional Living and Community Support (\$ 41,667), Human Rights Fair/Housing (\$20,000), Lutheran Social Services (\$1,650); and transfer \$33,350 of County CDBG 1986 contingency to public service programs as follows: LSS (\$13,350), and Human Rights/Fair Housing (\$20,000); and (4) authorize the Executive Director to amend existing contracts in accordance with this report and transmit necessary information to HUD.

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Trish Davey

2382K

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

January 13, 1987

VARIOUS AMENDMENTS TO THE 1986 AND 1987
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AND
THE 1987 AGENCY BUDGET

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO:

Section 1: The 1987 Agency Budget is hereby amended to
reflect the CDBG budget amendments for specific projects as shown
on Exhibit B attached and incorporated by reference.

Section 2: The Executive Director is hereby authorized
to execute and amend contracts in accordance with Exhibit B.

Section 3: The Executive Director is hereby authorized
to transmit all necessary information regarding these amendments
to the United States Department of Housing and Urban Development.

CHAIR

ATTEST:

SECRETARY

0656L

RESOLUTION No.

Adopted by The Sacramento City Council on date of

January 13, 1987

AMENDING THE 1986 and 1987
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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

Section 1: The City Council hereby approves amendments to the Community Development Block Grant program appropriations in the manner and amount specified in Exhibit B attached hereto.

MAYOR

ATTEST:

CITY CLERK

0656L

CDBG-FUNDED PUBLIC SERVICES
BUDGET ALLOCATIONS (COUNTY OR CITY)

PROGRAM/OPERATOR	1984	1985	1986	RECOMMENDED 1987	COMMENTS
HUMAN RIGHTS/FAIR HOUSING COMMISSION	\$110,000 County \$110,000 City	\$120,000 County \$120,000 City	\$120,000 County \$120,000 City	\$120,000 County \$120,000 City	The City and County have each agreed to allocate \$7,000 of general funds to this program for the 1986/1987 year.
HOUSING OUTREACH MAINTENANCE EDUCATION/ LUTHERAN SOCIAL SERVICES	82,000 County	80,000 County 10,000 City	80,000 County 10,000 City	87,000 County 10,000 City	Since CDBG funding accounts for the majority of HOME's budget and since this program fills a vital need in the area of housing, staff recommends an increase of approximately 8% to maintain services at current levels.
EMERGENCY HOUSING FOR FAMILIES/ SOUTH AREA EMERGENCY HOUSING CENTER	150,000 County	160,000 County	160,000 County	176,349 County	CDBG funding accounts for the major part of SAHEC's budget. Due to the fact that this program provides necessary services to the homeless staff recommends an increase of approximately 10% to maintain services at current levels.
WOMEN ESCAPING A VIOLENT ENVIRONMENT (WEAVE)/ WEAVE AND COUNTY WELFARE	88,000 County	90,000 County	130,000 County	130,000 County	This program is directly funded by County Welfare and receives funding from several sources. CDBG accounts for approximately 30% of WEAVE's total budget.

CDBG-FUNDED PUBLIC SERVICES
BUDGET ALLOCATIONS (COUNTY OR CITY)

PROGRAM/OPERATOR	1984	1985	1986	RECOMMENDED 1987	COMMENTS
SENIORS ALLIED IN LIVING (SAIL)/ SHRA COMMUNITY SERVICES	40,000 City	50,000 City	50,000 City	50,000 City	This program was initially funded on a one-year basis with the hope of its becoming self-sufficient. Because of the nature of the program and the lack of funding sources, the need for CDBG funds continue. The program however, does receive some funding from other sources.
COMMUNITY INFORMATION CENTER/ SHRA COMMUNITY SERVICES		22,000 County	22,000 County	22,000 County	This program was initially funded on a one-year basis to set up computerization of information. Because of lack of other funding sources, however, it was necessary to continue CDBG funding. CDBG funds account for only 8% of the total budget. (CDBG funds currently support the Housing Referral Clearinghouse portion of the program).
WOMEN'S REFUGE/SOUTH AREA EMERGENCY HOUSING CENTER			100,000 County	100,000 County	This is a relatively new program; therefore, this budget is basically in line with current program needs.

CDBG-FUNDED PUBLIC SERVICES
BUDGET ALLOCATIONS (COUNTY OR CITY)

PROGRAM/OPERATOR	1984	1985	1986	RECOMMENDED 1987	COMMENTS
HOMELESS PROGRAM FOR THE MENTALLY ILL/TRANSITIONAL LIVING AND COMMUNITY SUPPORT (TLCS)			75,000 County 250,000 City	250,000 City	This is a relatively new program; therefore, this budget is basically in line with current program needs. This program is supported by other funding sources including County Mental Health.
WORKREATION/CITY PARKS AND COMMUNITY SERVICES	115,100 City	139,000 City	145,000 City	132,000 City	This program had cost savings in 1986 in addition to the fact that the City has absorbed some of the administrative costs of this program.

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CHART OF CITY
COMMUNITY DEVELOPMENT BLOCK GRANT
AMENDMENTS

YEAR COST CENTER	PROJECT	CURRENT ALLOCATION	RECOMMENDED ALLOCATION	NET CHANGE TO CONTINGENCY	COMMENTS
BEGINNING 1986 CONTINGENCY BALANCE				\$226,071.14	
1987	Human Rights/Fair Housing Commission	\$ 20,000.00	\$140,000.00	\$-20,000.00	This increase would allow for a 14-month contract.
1987	Housing Outreach Maintenance Education - LSS	10,000.00	11,650.00	- 1,650.00	This increase would allow for a 14-month contract.
1987	Homeless Program For The Mentally Ill - TLCS	250,000.00	291,667.00	-41,667.000	This increase would allow for a 14-month contract.
ENDING CONTINGENCY BALANCE				\$162,754.14	

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

EXHIBIT C

COUNTY OF SACRAMENTO COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM 1987 PROJECTED USE OF FUNDS

		1987 PROPOSED BUDGET
I.	<u>CAPITAL IMPROVEMENTS</u>	
	A. (See Attachment I - Capital Improvements by Target Area)	\$ 923,943
	B. Labor Compliance Administration	20,000
	SUBTOTAL	\$ <u>943,943</u>
II.	<u>HOUSING PROGRAMS</u>	
	A. Housing Rehabilitation Loan Fund	\$ 275,000
	B. Housing Rehabilitation Administration	400,000**
	C. Emergency Repair Grants	230,000
	D. Relocation Program	30,000
	E. Building Code Inspection	70,000
	F. Nuisance Abatement	95,000
	G. Section 108 Loan Repayment	538,000
	H. Neighborhood Housing Services	75,000
	I. Housing Production (Section 108 proceeds)	500,000
	SUBTOTAL	\$ <u>2,213,000</u>
III.	<u>PUBLIC SERVICES</u>	
	A. Human Rights/Fair Housing***	\$ 36,651
	B. Housing Outreach Maintenance Education (HOME)	87,000
	C. South Area Emergency Housing	276,349
	D. Women Escaping a Violent Environment (WEAVE)	130,000
	E. Information and Referral	22,000
	SUBTOTAL	\$ <u>552,000</u>
IV.	<u>ADMINISTRATION</u>	
	A. CDBG Administration	\$ 300,000
	B. MBE/WBE* Program Administration	20,000
	C. Human Rights/Fair Housing**	83,349
	SUBTOTAL	\$ <u>403,349</u>

* Minority Business Enterprise (MBE) and Women's Business Enterprise (WBE)

** Total loan resources to be administered: \$2,523,787

*** Human Rights/Fair Housing total funding: \$120,000 (Separated here to maintain public service funding within 15% grant cap.)

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