



June 1, 2005

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: MID-YEAR AMENDMENT TO THE CITY COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM AND THE 2005 ACTION PLAN**

LOCATION & COUNCIL DISTRICT Citywide

RECOMMENDATIONS

Staff recommends the adoption of the attached resolution which:

1. authorizes the Sacramento Housing and Redevelopment Agency (Agency) to reprogram \$373,000 in unused capital reserves and previously approved CDBG activities that have been completed and/or cancelled;
2. authorizes the Agency to appropriate \$373,000 for new and continuing CDBG activities to be completed within the next 18 months;
3. amends various One-Year Action Plans governing the use of entitlement funds from the CDBG, HOME Investment Partnership Program (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs;
4. authorizes the Executive Director or designee to execute all necessary agreements and contracts to carry out the recommended activities described in this report; and
5. authorizes the City Manager to execute all necessary agreements and contracts to carry out the recommended activities described in this report.

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CONTACT PERSONS

Lisa Bates, Community Development Director – City, 440-1316
Sarah Hansen, CDBG Program Manager – CDBG, 440-1322

FOR THE COUNCIL MEETING OF – June 14, 2005

SUMMARY

This report de-funds and re-appropriates Community Development Block Grant (CDBG) funds as part of a mid-year budget adjustment process. Activities being de-funded are those that have been completed or cancelled. Newly funded activities are scheduled to be implemented and completed by December 31, 2006, to comply with federal regulations governing the timely expenditure of CDBG funds.

COMMISSION ACTION

At its meeting on June 1, 2005, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Burruss, Coriano, Fowler, Gale, Gore, Hoag, Piatkowski, Shah,
Simon

NOES: None

ABSENT: Burns, Stivers

BACKGROUND:

CDBG Mid-Year Adjustments

This report summarizes the City of Sacramento's 2005 One-Year Action Plan mid-year adjustment. This Action Plan will update the City Consolidated Plan and revisions will be submitted to the U.S. Department of Housing and Urban Development (HUD). The Consolidated Plan is a five-year planning document (covering the period 2003-2007) approved by the City Council on October 29, 2002. The Consolidated Plan identifies the City's housing and community development needs and describes a long-term strategy for meeting those needs. In addition to providing a broad policy framework, the Consolidated Plan specifically addresses four federally-funded housing and community development programs: CDBG, HOME, ESG and HOPWA. (HOPWA is funded through the City of Sacramento but serves both the City and County of Sacramento.)

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This report addresses amending the 2005 One-Year Action Plan by defunding CDBG cancelled and completed projects and/or programs, and funding new and augmenting existing projects and/or programs. This mid-year adjustment not only updates the Consolidated Plan but also facilitates more timely expenditures, as required by HUD.

DISCUSSION:

CDBG Mid-Year Amendments

Staff recommends that previously approved CDBG appropriations presented below be reprogrammed. Recommendations for reappropriation of these funds are presented in a later section of this report.

Funds Recommended for Reprogramming	Amount
2005 Capital Reserve funds are being reprogrammed for new and continuing CDBG activities.	\$358,000
2005 Housing Authority Safety Study – CDBG funds were previously allocated to fund a needs assessment study to decrease crime and increase safety within target neighborhoods where some Housing Authority properties are located. Staff recommends reappropriating these funds for security related improvements at the 2005 Coral Gables project described in the following section.	\$15,000
Total	\$373,000

Staff recommends that the following appropriations be made to activities that will be completed within the next 18 months:

Recommended Reallocation of Funds	Amount
2005 Kenwood/Mackey Park Improvements (District 3) –Design and installation of park improvements, including lighting, fencing, landscaping, benches, tables, signage, and play equipment. This is an advance of the 2006 CDBG allocation to this district. The addition of these funds is combined with \$151,000 already allocated to this project in 2005, bringing the total project budget to \$302,000.	\$151,000
2005 Franklin Boulevard/Fruitridge Road Improvements (District 5) - Intersection improvements at Franklin Boulevard and Fruitridge Road including installation of curbs, gutters and sidewalks, new striping, two additional turn pockets, and bike lanes. This is an advance of the 2006 CDBG allocation to this district. The addition of these funds is combined with \$161,000 already allocated to this project in 2004, bringing the total project budget to \$368,000.	\$207,000

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2005 Coral Gables Property Improvements (District 8) – In March 2005, the City Council approved a Housing Trust Fund (HTF) loan in the amount of \$310,000, for the acquisition and rehabilitation of the four-plex located at 31-37 Coral Gables Court. As part of the overall rehabilitation of this four-plex, the CDBG funds will be for the design and installation of security lighting, cameras, and other crime prevention improvements related to the rehabilitation of the four-plex.	\$15,000
Total	\$373,000

Update on Proposed 2006 CDBG Budget

The Agency has joined national interest groups to lobby for continuation and funding of CDBG at current levels. The Program has seen strong support from the House and Senate. However, given the uncertainty of funds for the Program in 2006 and beyond, the Agency is developing several budget scenarios including 20 percent and 50 percent reductions. A detailed presentation showing the impact of CDBG cuts on the Agency budget will be presented to the Council by September 2005.

FINANCIAL CONSIDERATIONS:

An attached resolution authorizes the amendment of the 2005 Agency budget to defund \$373,000 of CDBG funds resulting from cancelled projects and capital reserve. It also amends the 2005 One-Year Action Plan to reflect augmentations to new activities which can be completed within 18 months as required by HUD.

POLICY CONSIDERATIONS

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

ENVIRONMENTAL REVIEW

The proposed actions are exempt from environmental review based on the following CEQA and NEPA exemptions and subject to further review after the design and scope of the rehabilitation work has been completed:

Rehabilitation of Existing Structures – NEPA per 24 CFR 58.35 (a)(3) and CEQA per Guidelines Section 15301 (a) and (d):

- Coral Gables Property Improvements

Rehabilitation/Reconstruction of Existing Public Facilities (existing land or right-of-way for streetscape and facility improvements with no expansion of capacity or change in

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use, and minor alterations to land) – NEPA per 24 CFR 58.35 (a)(1) and (a)(2) and CEQA per Guidelines Section 15301(c),15304(b) and 15304(h):

- Kenwood/Mackey Park Improvements
- Franklin Boulevard/Fruitridge Road Improvements

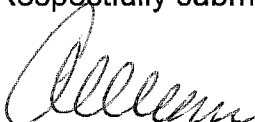
M/WBE CONSIDERATIONS

The Agency’s Minority and Women’s Business Enterprise Program policy will be applied to all applicable projects, to the extent required by federal funding sources.

SBE CONSIDERATIONS

The Agency will comply with current Small Business Enterprise policy, as applicable.

Respectfully submitted,



ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT P. THOMAS
City Manager

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RESOLUTION NO. _____

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

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

AMENDMENT TO THE CITY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) AND THE 2005 ACTION PLAN

WHEREAS, a noticed public hearing soliciting comments on the various years' Action Plans was held by the Sacramento Housing and Redevelopment Commission on June 1, 2005.

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

Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. The City Community Development Block Grant (CDBG) Action Plans and the Sacramento Housing and Redevelopment Agency (Agency) Budget are hereby amended as follows:

- Reallocate \$15,000 from the 2005 Housing Authority Safety Study to capital reserve.
- Allocate \$151,000 from capital reserve to the 2005 Kenwood/Mackey Park Improvements.
- Allocate \$207,000 from capital reserve to the 2005 Franklin Boulevard/Fruitridge Road Improvements project.
- Allocate \$15,000 from capital reserve to the 2005 Coral Gables Property Improvements project.

Section 3. The various One-Year Action Plans governing the use of entitlement funds from the Community Development Block Grant (CDBG), Housing Investment Partnership Program (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs are amended to reflect the foregoing changes.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 4. The Agency Budget is amended to reallocate funds for the previously approved CDBG activities to the new CDBG appropriations referenced above.

Section 5. The Agency is authorized to execute all necessary agreements and contracts to carry out the recommended activities described in this report.

Section 6. The City Manager, or his designee, is authorized to enter into Individual Project Agreements with the Agency and to take all actions and execute such agreements and documents as may be necessary to implement the amended 2005 CDBG Action Plan.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____