

Agenda Report

DATE: JANUARY 24, 2000

TO: ATTENTION: FINANCE COMMITTEE
CITY COUNCIL/COMMUNITY DEVELOPMENT COMMISSION

FROM: CYNTHIA J. KURTZ, CITY MANAGER/CHIEF EXECUTIVE OFFICER

SUBJECT: HOUSING & DEVELOPMENT/PASADENA COMMUNITY DEVELOPMENT
COMMISSION FY 1999-2000 BUDGET AMENDMENTS

RECOMMENDATION:

It is recommended that the City Council and Community Development Commission approve journal vouchers, as detailed below, implementing certain amendments to the FY 1999-2000 Housing & Development/Pasadena Community Development Commission Budget.

BACKGROUND:

On June 21, 1999 when the Council/Commission adopted the H&D/PCDC FY 2000 budget, the City Manager informed Council/Commission that the budget before them at that time did not include funding for any new PCDC projects. It was further stated that once the new Director of Housing & Development had an opportunity to assess the department's budget and become more familiar with projects, that an amendment would be forthcoming.

The following outlines the journal voucher actions that are being recommended:

1. **PROPOSED "NEW" PCDC EXPENDITURES:** The following proposed new projects/ expenditures are not currently in the FY 2000 budget:
 - A. **Foothill Workshop - \$375,000 (Fair Oaks):** Proposed expansion and renovation of the existing 9,500 s.f. industrial building used as a manufacturing training facility. If approved staff will initiate negotiations of an Owner Participation Agreement with Foothill Workshop. This report will require Commission approval. Revenue for this project will be funded from the Section 108 Loan Guarantee Interest Reserve.
 - B. **Community Based Organization - \$17,500 (Lake/Washington):** Consultant to take lead in development of Community Based Organization and implementation of the North Lake Specific Plan. Revenue for this project will be funded from PCDC unappropriated fund balance.

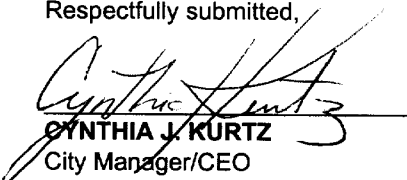
- C. **Redevelopment Project Areas Merger - \$70,000.** The proposed merger of the Fair Oaks, Lincoln Avenue, Orange Grove, Villa Parke and Lake/Washington Redevelopment Project areas will require the professional services of legal counsel and a planning consultant. Revenue for this project will be funded by PCDC unappropriated fund balance.
 - D. **1-FTE, Staff Assistant II - \$20,048 (Administration).** As part of the new director's reassignments for the department, it has been determined that the clerical workload of the department is such that an additional FTE is required to provide reception duties and other administrative support duties for a staff of 12 professionals. Revenue for this FTE for the remaining six months of FY 2000 is \$20,048 (annual \$40,095) and will be funded by PCDC unappropriated fund balance.
2. **BUDGET CORRECTIONS.** The following items are intended to correct the approved FY 2000 budget in order to incorporate Council/Commission actions and to address recently-determined financial demands for the provision of affordable housing and community development services/activities:
- A. **Portable Housing Assistance - \$10,000 (Rental Assistance Program).** An anticipated project expenditure of \$10,000 was not recognized in the FY 2000 Rental Assistance program budget for Portable Housing Assistance. The revenue, however, associated with this expenditure has already been recognized in the budget.
 - B. **Administration/Supplies - \$30,000 (Rental Assistance Program).** The Section 8 Rental Assistance program held an open enrollment period in February and March 1999. Due to the number of applications received (5,000+), additional outside contract employees were required to assist with the timely review, interview, and verifications of each applicant. Revenues for these expenses will be funded from the Rental Assistance Program Administrative Fee Reserve (fund balance).
 - C. **CDBG Administration - (\$28,532).** The CDBG Program budget was adopted with a revenue shortfall. To correct this, services and supplies will be reduced by \$28,532. This will not impact program services.
 - D. **Lincoln/Idaho - \$60,000 (Affordable Housing).** These funds were previously allocated by the Commission on April 26, 1999 in accordance with its approval of the Fourth Amendment to the HOME Loan Agreement for the implementation of this project. We are now asking that these funds be reappropriated to the Lincoln/Idaho project.
 - E. **Homeownership Opportunities Program - \$100,000 (Affordable Housing).** This additional appropriation will provide financial assistance for three (3) additional homebuyers who are currently awaiting funding. Revenue for this expenditure will be funded from the Housing Trust Fund unappropriated fund balance.

- F. **515-525 Cypress - \$70,000 (Affordable Housing)**. This additional appropriation is an adjustment for prior expenditure of bond proceeds. Revenue for this added project expense will be funded from the Housing Trust Fund unappropriated fund balance.

FISCAL IMPACT:


The net effect of the proposed "new" project/administrative expenditures, is an increase of \$482,548 to the PCDC FY 2000 budget. The net effect of the recommended corrections to the existing FY 2000 budget is \$241,468 from the respective fund balances and/or revenue accounts for each of the programs listed in these items.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager/CEO

Approved:


RICHARD J. BRUCKNER
Director of Housing & Development


JAY M. GOLDSTONE
Director of Finance