

Agenda Report

DATE: JANUARY 25, 1999
TO: CITY COUNCIL
FROM: CYNTHIA J. KURTZ, CITY MANAGER
SUBJECT: REPROGRAMMING OF 1997- 98 COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG) PROGRAM FUNDS

RECOMMENDATION:

It is recommended that City Council approve the reprogramming of 1997-98 Community Development Block Grant Program (CDBG) funds to nine (9) eligible 1998-99 non-public service activities.

BACKGROUND:

During the months of September - December of each calendar year the Finance Department, in accordance with the federal requirements, performs a financial reconciliation and annual close-out of the proceeding fiscal year CDBG Program ending June 30. Upon completion of the reconciliation, staff typically provides recommendations with regards to a mid-year reprogramming of readily available CDBG funds for non-public service activities. In December, 1998, it was determined that approximately \$400,000 is currently available. These monies can now be reprogrammed from previously funded activities which did not proceed as anticipated during 1997-98 to eligible 1998-99 non-public service activities.

In accordance with the prior years reprogramming process, on December 24, 1998, all non-public service proposers who applied during the 1998-99 CDBG allocation process were informed of the initiation of the mid-year reprogramming process and given a January 8, 1999 deadline in which to submit an updated request for funding.

PROPOSED ACTIVITIES

The following nine (9) eligible non-public service activities are herewith recommended to receive reprogrammed 1997-98 CDBG funds:

Projects	Recommendations
Economic Dev. Assessment	\$26,412
Boys/Girls Capital Project	\$25,000
Code Enforcement Task Force	\$50,000
MASH Program	\$50,000
Project Advance	\$14,388
Family Community Council	\$4,200
Garfield Heights Neighborhood Assoc.	\$40,000
Neighborhood Impact	\$115,000
Northwest Mental Health Center	\$75,000

The following criteria was used to make the aforementioned reprogramming determination:

- All proposed activities must be in accordance with the established funding priorities as set forth and approved by City Council for the 1998-99 CDBG Program.
- First priority given to activities which received funding at a rate of less than 75% of their annual request, had a successful performance review, and continue to demonstrate a remaining funding gap.
- Eligible activities which did not receive funding and are next in sequential order as approved by City Council shall be considered in rank order.

Exhibit "A" to this report provides additional information regarding the name of the proposer, the proposed project, recommended amounts and a summary of the reprogramming rationale.

In particular, the reprogramming of \$100,000 (\$50,000 each) to two (2) eligible activities (Code Enforcement Task Force and the Maintenance Assistance Services to Homeowners-MASH) is recommended to supplement the FannieMae Neighborhood Initiatives Program and will assist in leveraging \$6,000,000 (\$1,000,000 for citywide housing downpayment assistance and \$5,000,000 for targeted residential/commercial revitalization within the Northwest community).

The aforementioned CDBG reprogramming recommendation related to the FannieMae Program received prior approval from the Northwest Commission at its December 2, 1998 meeting. Similarly, at its January 20, 1999 meeting the Northwest Commission approved all of the CDBG reprogramming recommendations but objected to how the reprogramming process was implemented and the fact they were not part of the decision making process for the allocation of the reprogrammed funds. In earlier discussions on the matter of reprogramming the Northwest Commission, without knowledge of the amount of funds available, had recommended that all unobligated prior year CDBG Program funds be held and not reprogrammed. More specifically, the Northwest Commission recommended all prior year unobligated funds be included in the 1999-2000 CDBG Program allocation process currently underway. While the recommendation presented herein only pertains to the 1997-98 CDBG Program funds, it is presently estimated that additional unobligated funds in the amount of \$650,000 from earlier CDBG Program years will be available for inclusion in 1999-2000 CDBG allocation.

FISCAL IMPACT:

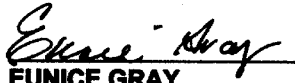
The funds referenced in this report are federal dollars. With respect to the completion of the aforementioned housing and economic development activities, it is anticipated that the city's sales and property tax bases will be increased.

Respectfully Submitted,




CYNTHIA J. KURTZ
City Manager

Prepared by:


EUNICE GRAY
Program Coordinator

Reviewed by:


GREGORY ROBINSON
Housing Administrator

Approved by:


STEPHEN G. HARDING
Interim Director, Housing and Development Department

Attachment