

Agenda Report

DATE: MARCH 20, 2000
TO: CITY COUNCIL
FROM: CYNTHIA J. KURTZ, CITY MANAGER
SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FUNDS CITY SET-A-SIDE AND REPROGRAMMING

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Approve the allocation of \$657,287 in 2000-2001 Community Development Block Grant Program (CDBG) funds for four (4) eligible 2000-2001 City administered non-public service projects, \$389,539 for the Section 108 Repayment and \$375,600 for CDBG Administration for a total CDBG City Set-aside of \$1,422,426.
2. Approve reprogramming of \$20,000 in 1999-2000 Community Development Block Grant Program funds to the Mountain Place Neighborhood Improvement Project.

BACKGROUND:

On January 25, 1999 the City Council approved modifications to the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG) and Human Services Endowment Fund (HSEF) proposal review and funding allocation process. One of the approved modifications provided for the City Council to annually set-a-side CDBG funds in an appropriate amount to fund eligible city projects recommended by the City Manager. In accordance with that action, it is recommended that the City Council approve CDBG funding for administration of the program, the Section 108 Repayment and the following four (4) proposed non-public service projects to be administered by the respective City Departments. This allocation represents a total CDBG City Set-aside of \$657,287 for the four (4) projects and \$765,139 for the administration and loan.

The following six (6) eligible non-public service projects are herewith recommended to receive 2000-2001 CDBG City Set-aside funds:

Projects	Recommendations
CDBG Program Administration	\$375,600
Section 108 Loan Payment	\$389,539
Code Enforcement Task Force	\$227,287
MASH Program	\$340,000
Employment Hall	\$ 60,000
Jackie Robinson Center Renovation Project Phase II	\$ 30,000

All proposed projects met the local and HUD defined threshold requirements and are in accordance with the established funding priorities as set forth and approved by City Council for the 2000-2001 CDBG Program. Exhibit "A" to this report provides information regarding the proposing City Department, the proposed project, prior year funding, funding request, recommended funding and project description.

Funding for the four recommended City projects (\$627,287) is 25% of the total 2000-2001 CDBG Program funds estimated at \$2.596 million. In addition, funds have also been set-aside for the Section 108 Loan Repayment (\$389,539) and CDBG Administration (\$375,600) for a total CDBG City Set-aside of \$1,422,426. As a result, approximately \$1.17 million remains available for competitive allocation to other non-public service and public service projects as recommended by the Northwest and Human Services Commissions, respectively.

Similarly, 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 available CDBG funds for non-public service projects. In December, 1999, it was determined that only \$20,000 is readily available from currently funded projects which did not proceed as anticipated during 1999-00. These funds can now be reprogrammed to eligible 1999-00 non-public service projects. Therefore, in accordance with the prior years recommendation of the Northwest Commission, staff is herewith recommending that the \$20,000 in available funds be reprogrammed for the Mountain Place Neighborhood Improvement Project. Approval of this recommendation will provide total funds in the amount of \$100,000 for the removal and reconstruction of the Mountain Place roadway including the installation of a drainage system, and landscaping for erosion control.

FISCAL IMPACT:


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

Respectfully Submitted,



CYNTHIA J. KURTZ
City Manager

Prepared by:



GREGORY ROBINSON
Housing Administrator

Approved by:



RICHARD J. BRUCKNER
Director, Housing and Development Department