



June 4, 2003

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: MID-YEAR AMENDMENT TO THE CITY COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM (CDBG) AND VARIOUS YEARS ACTION
PLANS**

LOCATION & COUNCIL DISTRICT - City

RECOMMENDATION

Staff recommends adoption of the attached resolution on page nine that authorizes the Executive Director or her designee to:

- reprogram \$550,826 in unused capital reserves, and previously approved CDBG activities that have been cancelled;
- appropriate \$550,826 to augment previously-approved activities to be implemented within 18 months;
- amend the 2003 One-Year Action Plan governing the use of entitlement funds from CDBG, Housing Investment Partnership Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grant (ESG) programs;
- amend the Agency budget to defund previously-approved CDBG activities and to include the new CDBG appropriations referenced above; and
- execute all necessary agreements and contracts to carry out the recommended projects described in the body of this report.

CONTACT PERSONS

Sarah Hansen, Acting Director, Community Development - City, 440-1337
Christine Groth Weichert, Program Manager - CDBG, 440-1322

FOR COUNCIL MEETING OF - June 17, 2003

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SUMMARY

The attached resolution de-funds and re-appropriates CDBG funds as part of a mid-year budget adjustment process, and amends program descriptions for previously approved CDBG activities. All approved activities must be reported to the U.S. Department of Housing and Urban Development (HUD) as an amendment to the 2003 Action Plan that details the use of CDBG funds.

COMMISSION ACTION

At its meeting on June 4, 2003 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES:	Burns, Burruss, Castello, Farley, Harland, Hoag, McCarty, Piatkowski, Simon, Stivers
NOES:	None
ABSENT:	None

BACKGROUND

CDBG funding allocations are made annually in the One-Year Action Plan approved by the City Council in November. This report formally amends the 2003 One-Year Action Plan by augmenting existing and new projects with CDBG funds no longer needed for activities. The majority of the projects in this report were included in the City's Capital Improvement Plan for planning purposes. This mid-year adjustment facilitates more timely expenditures as required by HUD. The recommended actions include:

1. Reprogramming previously approved CDBG activities; and
2. Appropriating funds for existing activities that can be completed within the next eighteen months.

Reprogram Previously Approved CDBG Appropriations

Staff recommends that previously approved CDBG appropriations presented below be reprogrammed. Recommendations for re-appropriation of these funds are presented in later sections of this report.

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Sources	Amount
2003 Capital Reserves to be used for unanticipated funding shortfalls in previously approved CDBG capital projects.	\$308,326
1998 Max Baer Park (District 6) – Park improvements were to include landscaping, lighting and play equipment. Project funds are being reallocated to the 2003 Max Baer lighting project. Lighting to be placed around the perimeter of the park and the clubhouse.	\$30,000
2000 Special Economic Development – This program to provide financial assistance to six businesses in various redevelopment areas, has been cancelled due to inactivity. The funds are being reallocated to the 2003 Commercial Loan and Rebates Program.	\$150,000
2003 Neighborhood Housing Services (NHS) Revolving Loan Fund – NHS revolving loan fund is used to provide single-family rehabilitation loans for homeowners in low- and moderate-income areas in the City of Sacramento. Funds are being re-allocated to the NHS Paint Program.	\$62,500
Total	\$550,826

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

Uses	Amount
2003 Max Baer Park Lighting - District 6 – Installation of streetlights near the Max Baer Clubhouse and around the perimeter of the park. The boundaries of the area are 34th Avenue, 35th Avenue, 79th Street and Wilkinson Street. The funds are from completed and canceled projects in District 6, including: \$30,000 from the 1998 Max Baer Park project and \$73,326 from the 2001 Fruitridge Road Improvements project.	\$103,326
2003 Commercial Rehabilitation Loan and Rebates Program – Additional funds needed for the continuation of the Commercial Rehabilitation Loan and Rebates program. This program was closed to new applications last fall due to lack of funds. These additional funds will finance applications that were received prior to the program being closed. This program provides loans and rebates to business owners in the following designated slum and blight areas: Franklin Boulevard, Florin Road, North Sacramento, Oak Park, Stockton Boulevard, Fruitridge Road, Northgate Boulevard, West El Camino Avenue, and 65 th Street and Folsom Boulevard. This program was funded \$550,000 in the 2003 Action Plan.	\$150,000
2003 Neighborhood Housing Services (NHS) Paint Program – Paint program for homeowners in low- and moderate-income areas in the City of Sacramento to enhance the overall appearance of the neighborhoods. This program is typically allocated \$125,000 annually. Current funding is \$62,500 covering a six-month period, January through June. The additional \$62,500 is from NHS revolving loan fund, and will cover July through December.	\$62,500
2003 Blue Diamond Lighting – Marshall School Neighborhood Lighting (2004 advance) – District 3 – This project was originally funded for \$181,000 in 2003. Additional funds are needed to complete the installation of 33 streetlights on the east side of 28 th Street between B and C Streets, and both sides of 28 th Street from C to H Streets. It is anticipated that the project will be completed by December 31, 2004. The Blue Diamond area receives an annual allocation of \$50,000. This is an advance of the 2004 allocation.	\$50,000
2003 65th Street and Fruitridge Road Intersection Improvement Project – (2004 advance) - District 6 – This project will consist of improvements to the four crosswalk areas at the intersection including: sidewalk and planter strips; irrigation and landscaping; raised decorative walls; traffic signal loop modifications, and other enhancements or other improvements on Fruitridge Road. This is an advance of District 6’s 2004 CDBG allocation.	\$185,000
Total	\$550,826

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District Allocations

Council District 1 (9.95%)		Council District 2 (17.3%)	
Reprogrammed	\$0	Reprogrammed	\$0
<u>New Capital Improvement Projects</u>		<u>New Capital Improvement Projects</u>	\$0
None	\$0	None	
Total	\$0	Total	\$0
Council District 3 (15.6%)		Council District 4 (12.76%)	
Reprogrammed	\$0	Reprogrammed	\$0
<u>New Capital Improvement Projects</u>		<u>New Capital Improvement Projects</u>	\$0
2003 Blue Diamond Lighting – Marshall School Lighting (2004 advance)	\$50,000	None	
Total	\$50,000	Total	\$0
Council District 5 (18.3%)		Council District 6 (13.98%)	
Reprogrammed	\$0	Reprogrammed	\$103,326
<u>New Capital Improvement Projects</u>	\$0	Capital Reserve (funds from 2001 Fruitridge Road Infrastructure Improvements Project)	\$73,326
None		1998 Max Baer Park Improvements	\$30,000
		<u>New Capital Improvement Projects</u>	
		2003 Max Baer Park Lighting	\$103,326
		2003 65 th and Fruitridge Road Intersection (2004 advance)	\$185,000
Total	\$0	Total	\$288,326
Council District 7 (0%)		Council District 8 (12.47%)	
Reprogrammed	\$0	Reprogrammed	\$0
<u>New Capital Improvement Projects</u>		<u>New Capital Improvement Projects</u>	
None	\$0	None	
Total	\$0	Total	\$0

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Program and Project Amendments

Neighborhood Housing Services

In 1987 CDBG funds were allocated to Neighborhood Housing Services (NHS) to jump-start a revolving loan fund for financing rehabilitation loans to low- and moderate-income homeowners. NHS has requested that these funds also be eligible to finance a down payment assistance program. Therefore, the loan fund description will now be amended to allow for both single-family residential down payment and rehabilitation assistance.

Deeble Street Improvements

The original 2002 Deeble Street Improvements project description included installing curbs, gutters, sidewalks, paving, fencing and landscaping improvements from 24th Avenue to 26th Avenue. The description is being amended to include design and construction costs associated with a concrete block wall along Deeble Street from 21st to 24th Avenues.

Winter Shelter Program

The 2003 Action Plan approved \$227,000 in Emergency Shelter Grant (ESG) funds and \$46,000 in CDBG funds for a Winter Shelter Program. The program provides shelter and services to homeless persons during inclement months from December through March at 1600 Exposition Boulevard. The County Department of Human Assistance is now requesting that the Winter Shelter Program description be amended to add a second shelter address, 1400 North A Street, Building B. This shelter will be open year-round to women and children only.

FINANCIAL CONSIDERATIONS

An attached resolution on page 9 authorizes the amendment of the Agency budget to reflect the \$550,826 of CDBG funds resulting from cancelled projects, and capital reserve, and the amendment of the 2003 Action Plan to reflect augmentations to existing activities.

POLICY CONSIDERATIONS

The actions recommended in this report are consistent with the following Agency and City policies:

City's Strategic Plan's goal to enhance and preserve the neighborhoods.

The actions are also consistent with the City's adopted 2003 – 2007 Consolidated Plan goals.

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ENVIRONMENTAL REVIEW

2003 Max Baer Park Lighting – District 6. This project is exempt from CEQA per Guidelines Section 15303, and categorically excluded from NEPA per 24 CFR Part 58.35(a)(1).

2003 Commercial Rehabilitation Loan and Rebates Program. This is a continuing program, supporting activities that are exempt from CEQA review per 15301 Class 1 and categorically excluded per 24 CFR Part 58.35(a)(3)(ii).

2003 Neighborhood Housing Services (NHS) Paint Program. This is a continuing program, supporting activities that are exempt from CEQA review per 15301 Class 1 and categorically excluded per 24 CFR Part 58.35(a)(3)(i).

2003 Blue Diamond Lighting – Marshall School Neighborhood Lighting (2004 advance) - District 6. This is a continuing program, for activities that are exempt from CEQA review per 15303 and categorically excluded then exempt per 24 CFR Part 58.35 (a)(1).

2003 65th Street and Fruitridge Road Intersection Improvement Project (2004 advance) – District 6. This project is exempt from CEQA per Guidelines sections 15301, 15302, 15303, and categorically excluded from NEPA per 24 CFR Part 58.35(a)(1).

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M/WBE CONSIDERATIONS

The Agency's Minority and Women's Business Enterprise Program will be applied to all applicable projects, where required by the federal funding source.

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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