

ITEM # 13c  
DATE 01/13/09

## COUNCIL ACTION FORM

**SUBJECT: TIME EXTENSION FOR SUBMITTAL OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FIVE-YEAR CONSOLIDATED PLAN AND ANNUAL ACTION PLAN**

### **BACKGROUND:**

One major requirement in receiving the CDBG funds is that the City must submit a Five-Year Consolidated and Annual Action Plan to the federal Department of Housing and Urban Development (HUD) within 45 days prior to the beginning of the program fiscal year. For the upcoming cycle, that deadline is May 17, 2009.

The Consolidated Plan is the document that serves as the planning document (Comprehensive Housing Affordability Strategy and Community Development Plan, or CHAS) of the jurisdiction for funding under any of the Community Planning Development (CPD) formula grant programs. The Consolidated Plan requires detailed background information on the community derived both from census data and other comprehensive studies performed by the community. The Annual Action Plan outlines the program activities that will be undertaken to address or meet those goals and priorities established in the Consolidated Plan. The Consolidated Plan requires that both plans submitted together must be published for 30 days to allow for citizen input on the goals and objectives for the utilization of the funds.

Due to factors beyond the City's control, there has been a delay in completing the acquisition of the Human Service Campus. The 2008-2009 CDBG budget contains \$600,000 for the acquisition of a facility for this Campus. This delay has created a need to shift priorities for 2008-2009 to insure that the City meets the timely expenditure requirements in our grant agreement with HUD by May 2. This deadline is crucial to the City's being able to receive future CDBG Funds. Therefore, staff is requesting an extension of the submittal date for next year's plan so that we can shift the 2008-2009 program budget to meet HUD's expenditure requirement. In order to do this, up to \$300,000 of the 2008-2009 Human Service Campus budgeted line item **may** need to be spent on other projects before the May 2 deadline. Adjustments will then need to be made to the 2009-2010 CDBG budget to restore that funding back into the Human Service Campus project.

The revised timeline would be as follows:

- Conduct Public Forums for Citizen Feedback during the week of February 2
- Complete Consolidated and Annual Action Plans by June 12
- Publish Plan for a 30-day comment period from June 16 to July 15
- Hold City Council's public hearing on Plan on July 27
- Submit Plan to HUD on or before July 31

Staff has been in communication with HUD regarding this request and they have indicated that an extension should not be problematic. Therefore, staff is requesting that City Council approve this request for a time extension for submittal of the Consolidated Plan and Annual Action Plan.

**ALTERNATIVES:**

1. The City Council can approve a request for a time extension to submit the Community Development Block Grant Consolidated Plan and Annual Action Plan to the Department of Housing and Urban Development.
2. The City Council can deny the request for a time extension to submit the Community Development Block Grant Consolidated Plan and Annual Action Plan to the Department of Housing and Urban Development.

**CITY MANAGER'S RECOMMENDED ACTION:**

Due to unforeseen delays in expending CDBG monies on the Human Services Campus project, additional time is needed to adopt plans that reflect actual expenditures that will occur.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1. This action will approve a request for a time extension to submit the Community Development Block Grant Consolidated Plan and Annual Action Plan to the Department of Housing and Urban Development.