

## COUNCIL ACTION FORM

**SUBJECT:2012-13 PROPOSED ANNUAL ACTION PLAN PROJECTS' BUDGET AMENDMENT IN CONNECTION WITH THE CITY'S COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

**BACKGROUND:**

At the February 28, 2012, City Council meeting, the City Council authorized staff to prepare the 2012-13 Action Plan document for the 30-day public comment period based on the proposed projects and budget (see Attachments 1 and 2) after hosting three public forum sessions for input.

One of the projects recommended for 2012-13 was the Single-Family Conversion program. However, after two failed attempts to solicit participation from property owners, staff recommended that the pilot program be put on hold until Fall 2012 and that the initial program budget of \$25,000 be rolled over.

**Staff is now proposing that the \$75,000 slated for the Single-Family Conversion Program for 2012-13 be transferred to the 2012-13 Neighborhood Infrastructure Improvements Programs (NIP) budget.** In working with our Public Works Department, two unpaved streets with storm water drainage issues in HUD designated low- and moderate-income census tracts have been identified. Therefore, it would be advantageous and have a greater impact on the neighborhood if we would improve both streets at the same time. The initial budget for this infrastructure program was set at \$303,896. By moving the \$75,000 from the Single-Family Conversion Program, the adjusted available budget for the improvements to the two street segments would be approximately \$378,896, which should cover the cost of the improvements for both streets.

Staff feels that this budget adjustment would have a greater impact on meeting the City Council's goals of strengthening our neighborhoods and better utilization and expenditure of the CDBG funds and programming.

**ALTERNATIVES:**

1. The City Council can approve the budget amendment to the 2012-13 Proposed Annual Action Plan Program Projects in connection with the City's Community Development Block Grant Program by transferring \$75,000 from the Single-Family Conversion Program to the Neighborhood Infrastructure Improvements Program.
2. The City Council can approve the budget amendment to the 2012-13 Proposed Annual Action Plan Program Projects with modifications.

3. The City Council can refer this item back to staff with further direction.
4. The City Council can decide not to make any changes to the FY 12/13 CDBG Action Plan

**MANAGER'S RECOMMENDED ACTION:**

The budget amendment being recommended from the Single-Family Conversion Program to the Neighborhood Infrastructure Improvement Program for fiscal year 2012-13 will continue to focus on the City Council's goal of strengthening our neighborhoods and are still consistent with the priorities of the City's 2009-14 CDBG Consolidated Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the proposed budget amendment to the 2012-13 Proposed Annual Action Plan Program Projects, and authorizing staff to prepare the Action Plan document for the 30-day public comment period starting April 5, with the public hearing approved for May 8, 2012.

## ATTACHMENT 1

### PROPOSED 2012-13 AMENDED ANNUAL ACTION PLAN PROGRAM ACTIVITIES

Project Activities	Program Description	Priority Goal	CDBG National Objective
<p>The <b>Neighborhood Sustainability Program</b> is comprised of the following subcomponent programs:</p> <ol style="list-style-type: none"> <li>1. <b>Home Improvement Rehabilitation Program</b></li> <li>2. <b>Homebuyer Assistance</b></li> <li>3. <b>Dangerous Buildings Program</b></li> <li>4. <b>Single-family Conversion Program</b></li> </ol>	<p>The overall goal of the Neighborhood Sustainability program is to increase the availability of housing to low- and moderate-income families and to maintain and sustain decent, safe, and sanitary housing stock in existing neighborhoods by providing <u>home repair grants</u> for owner-occupied housing units, and repair assistance to property owners of single-family rentals for conversion back to single-family homeownership and <u>down payment and closing cost assistance</u> to first-time homebuyers, and demolish deteriorated properties in conjunction with our Dangerous Building Initiatives.</p>	1, 2	Low- & Moderate-Income Benefit
<p>The <b>Public Improvement Program</b> is comprised of the following subcomponent programs:</p> <ul style="list-style-type: none"> <li>• <b>Neighborhood Infrastructure Improvements</b> (curb, street resurfacing, sidewalks, etc.) in targeted low- and moderate-income census tracts</li> </ul>	<p>The overall goal of the Public Improvement Program is to preserve and enhance <b>the viability and aesthetics of our core existing neighborhoods by maintaining the public infrastructure.</b></p>	3	Low- & Moderate-Income Benefit

## ATTACHMENT 2

<b>Budget Amendment to the PROPOSED 2012-13 Action Plan Expenditure Budget:</b>	
<b><u>Programs</u></b>	<b><u>Budget</u></b>
Dangerous Buildings Program	45,000*
Neighborhood Home Improvement Program (including City-owned properties)	513,521*
Homebuyer Assistance Program	115,500*
<b>Neighborhood Infrastructure Improvements Program</b>	<b>378,896</b>
<b>Single-Family Conversion Program</b>	<b>0.00**</b>
2012-13 Program Administration (20% of 12-13 Allocation + 20% Anticipated Program Income)	<u>113,229</u>
<b>Total</b>	<b>\$1,166,146</b>
<b>Current 2012-13 Action Plan Revenue Budget:</b>	
2012-13 CDBG Allocation	511,276
2011-12 Anticipated Program Rollover	600,000
2011-12 Anticipated Program Income	<u>54,870</u>
<b>Total 2012-13</b>	<b>\$1,166,146</b>

\*Includes \$29,521 of Service Delivery expenses for Program Administration (inspectors, legal fees and documents, contracted staff assistance).

\*\*The 2011-12 budget of \$25,000 will rollover to 2012-13 if not spent prior to the end of the fiscal year.