

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: _____
Date: April 23, 2008

TO: Honorable Mayor and Members of the City Council

FROM: Rich Buquet, Neighborhood Services Manager

SUBJECT: Second Amendment to FY 2007-2008 One-Year Action Plan to include a new Allocation of \$450,000 for the Grape Street Improvement Project and Cancellation of the Orange Place project

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2008-82 amending the One-Year Action Plan to include a new allocation of \$450,000 for the Grape Street Improvement Project funded with CDBG funds made available from the cancellation of the Orange Place project plus unprogrammed funds.

FISCAL ANALYSIS:

The City of Escondido receives annual formula allocations of CDBG Program funding from the U.S. Department of Housing and Urban Development (HUD). All program and program administration expenses are paid with CDBG funds and do not impact the General Fund, unless Council directs otherwise.

The Orange Place project was approved as part of the FY 2006-2007 Action Plan in the total amount of \$390,000 (including \$58,000 set aside as contingency). This project will be cancelled for the time being and the funds will be re-allocated to the Grape Street Improvement project.

The remaining \$60,000 will come from the unprogrammed fund balance. CDBG unprogrammed funds accumulate from project savings, payoff of housing rehabilitation loans made in the 1980's with CDBG funds, and remaining balances from completed projects. The unprogrammed fund balance as of June 30, 2007 is approximately \$125,000. This fund balance usually ranges from \$50,000 to \$150,000 and recommendations for distribution of these funds are typically brought to Council when the accumulation reaches above \$150,000, or when there is a special need or request. Unprogrammed funds are restricted to capital-type projects.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the Council's Action Plan regarding Community Outreach and Image and Appearance.

PREVIOUS ACTION:

On April 5, 2006, Council adopted the FY 2006-2007 One-Year Action Plan including an allocation of \$390,000 for the Orange Place project.

On April 25, 2007, Council adopted the FY 2007-2008 One-Year Action Plan and approved its submission to HUD.

On October 17, 2007, Council adopted a First Amendment to the FY 2007-2008 One-Year Action Plan to include a new allocation for the Regional Winter Shelter Plan program.

BACKGROUND:

Since the allocation awarded to the Orange Place project on April 5, 2006, staff has had difficulty in obtaining the agreement on the improvements to be made from the Neighborhood Group. As of this date, the Neighborhood Group is no closer to agreeing on which improvements to implement.

In the meantime, the Grape Street neighbors have organized and have agreed that the need for street improvements in this area is a high priority. In addition, there is strong support from the Police Division to move forward with improvements on Grape Street. Full street improvements, particularly the addition of street lights, have historically proven to be an important crime deterrent. Construction improvements on Grape Street between Mission and Washington Avenues will include new curbs, gutters, sidewalks with ADA compliant ramps, new street surfaces and street lights. Design and environmental work will begin immediately, and construction is expected to begin by the end of 2008.

Respectfully submitted,

Rich Buquet
Neighborhood Services Manager