

CITY COUNCIL

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APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: _____
Date: **October 17, 2007**

TO: Honorable Mayor and Members of the City Council
FROM: Jerry Van Leeuwen, Director of Community Services
SUBJECT: FIRST AMENDMENT TO THE FY 2007-2008 ONE-YEAR ACTION PLAN

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2007-166, amending the FY 2007-2008 One-Year Action Plan to include:

- 1) A new allocation of \$33,223 for the Regional Winter Shelter Plan program.
- 2) A re-allocation of \$27,500 from project funds allocated on April 25, 2007 for the YMCA PRYDE program; and
- 3) A new allocation of \$5,723 from the unprogrammed fund balance.

FISCAL ANALYSIS:

The City of Escondido receives an annual formula allocation 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 Funds. For FY 2007-2008, the City will receive \$1,776,351 in federal CDBG entitlements.

Further, during FY 2006-2007, the City received \$568,183 in program income from the sale of a property (2017 Felicita Avenue) which was originally purchased with CBBG funds. In accordance with CDBG regulations the funds are required to be returned to the CDBG program as program income.

In addition, CDBG regulations impose caps on amounts which may be expended for public service and administration costs. No more than 15% of the current-year entitlement funds as well as 15% of program income received in the prior year may be used for public service activities funded with CDBG funds.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

The goals of the proposed Consolidated Plan One-Year Action Plan (FY 2007-2008) incorporate those of the City Council Action Plan which is committed to a collective vision for Escondido's future and the key activities that will be used to achieve that vision. Specifically, this item relates to the Community Outreach, Economic Development, Image and Appearance, and Workforce Development activities of the Council Action Plan.

PREVIOUS ACTIONS:

On May 4, 2005, the City Council approved and adopted the FY 2005-2010 Five-Year Consolidated Plan and FY 2005-2006 One-Year Action Plan.

On April 25, 2007, the City Council adopted the FY 2007-2008 One-Year Action Plan and approved its submission to HUD. Allocations for funding of specific projects, including the YMCA PRYDE program, were included in that Action Plan.

On September 12, 2007, the City Council voted to support the Regional Winter Shelter Plan and directed staff to identify funding for the Escondido's calculated share of the operational budget for the program.

BACKGROUND:

The Regional Winter Shelter Plan, crafted jointly by the Alliance for Regional Solutions and all the North County cities, provides that winter shelters will be available in each North County city. The shelter programs will have common intake protocols and will operate for 100 consecutive days for approximately 12 hours per day. This structure will allow for reimbursement from the Federal Emergency Management Agency (FEMA) which is critical to the revenue stream. The financing plan has been finalized as presented to Council on September 12, 2007 and shows that Escondido's fair share totals \$33,223.00 based on agreed-upon calculations.

At the public hearing for adoption of the One Year Action Plan, CDBG funds were allocated to a number of projects. One of the projects that was awarded funding, the YMCA PRYDE program which provides an after school program at Pioneer Elementary School, subsequently withdrew its request for funding due to anticipated receipt of sufficient funding from the State for the program. Therefore, the allocation of \$27,500 is now available to allocate to another project.

In addition, the unallocated CDBG fund balance accumulates from project savings, the payoff of housing rehabilitation loans, and other remaining balances from completed projects. A total of \$5,723 of the unallocated fund balance is necessary to compose the full allocation which does not exceed the

public service cap. The two allocations, together totaling \$33,223, are required for operational support of the Regional Winter Shelter Plan project as outlined on September 12, 2007.

CONCLUSION:

Staff recommends amending the FY 2007-2008 One-Year Action Plan to award a new allocation of \$33,223 to the Regional Winter Shelter Plan project. Staff recommends re-allocating \$27,500 from the YMCA PRYDE project, as well as \$5,723 from the unprogrammed fund balance to fund this new allocation and to implement the project.

Respectfully submitted,

Jerry Van Leeuwen
Director of Community Services