AMENDMENT TO THE 2013-2014 ONE-YEAR ACTION PLAN TO REFLECT ACTUAL ALLOCATIONS RECEIPT FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RECOMMENDATION

It is recommended that City Council adopt a resolution:

1. Approving an amendment to the 2013-2014 One-Year Action Plan which:
   a. Revises allocations for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs as a result of changes in funding from the U.S. Department of Housing and Urban Development (HUD); and
   b. Allocates CDBG funds to the Miner Avenue Streetscape project.

2. Authorizing the City Manager, or his designee, to execute all documents and forward them to the U.S. Department of Housing and Urban Development and take all necessary and appropriate actions to carry out the purpose and intent of this resolution.

Summary

Each year the City allocates the funds it receives from HUD through a One-Year Action Plan. The Action Plan identifies the specific activities that will be funded with CDBG, HOME, and ESG funding. The Action Plan for the 2013-14 program year was approved by City Council on May 7, 2013 (Attachment A - Resolution 2013-05-07-1601). At that time, because of timing constraints imposed by the federal granting agency, the City’s actual allocations were not known. As directed by HUD, the prior year’s allocations, reduced by eight percent to account for sequestration, were used as an estimate. During the presentation, staff advised the Council that, if the final allocation was more than five percent different than what was approved by the Council, the item would be brought back to the Council for approval. The actual allocations have now been received and proposed budget adjustments to accommodate the revised allocations are shown in Exhibit 1 to the Resolution. The most significant changes are a $73,893 reduction in ESG funds and an increase of $425,904 in CDBG funds. These changes represent a 14.9 percent increase in the CDBG allocation and a 24.6 percent decrease in ESG. To minimize the impact on the organizations that receive these funds, it is recommended that the additional CDBG funds be used to replace the reduced ESG funds. It is also recommended that CDBG funds be allocated to complete the planning and environmental review of the proposed Miner Avenue Streetscape project.
DISCUSSION

Background

To receive certain federal funds, including CDBG, HOME, and ESG funds, HUD requires jurisdictions to prepare a One-Year Action Plan. The Action Plan identifies the specific projects and activities that will be funded during that year to help accomplish the goals established in the five-year Consolidated Plan.

On May 7, 2013, the City Council approved the 2013-14 Action Plan. At that time, HUD had not provided jurisdictions with actual funding allocations but had directed us to use our prior year’s allocations with a five to eight percent reduction to account for sequestration. Staff used an eight percent reduction and went through the process of identifying the specific projects that would be funded, preparing the 2013-2014 Action Plan and submitting the Plan to HUD by May 15, 2013 as required. In June 2013, the City received its actual allocations from HUD. The following table shows the estimated allocations which were used in the Action Plan presented to Council on May 7, 2013, and the actual allocations.

<table>
<thead>
<tr>
<th>Program</th>
<th>2012-13 Allocations</th>
<th>2013-14 Allocations Taken to Council 5/7/13</th>
<th>Actual 2013-14 Allocations</th>
<th>Difference Between 5/7/13 and Actual Allocations</th>
<th>Percentage Difference Between 5/7/13 and Actual Allocations</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG</td>
<td>$3,103,142</td>
<td>$2,848,684</td>
<td>$3,274,588</td>
<td>$425,904</td>
<td>14.9%</td>
</tr>
<tr>
<td>HOME</td>
<td>$1,144,923</td>
<td>$1,051,039</td>
<td>$1,115,991</td>
<td>$64,952</td>
<td>6.1%</td>
</tr>
<tr>
<td>ESG</td>
<td>$327,098</td>
<td>$300,276</td>
<td>$226,383</td>
<td>($73,893)</td>
<td>(24.6%)</td>
</tr>
</tbody>
</table>

HUD has indicated that the change in ESG funding is due to a 25 percent reduction in the initial appropriation to the program and an additional 5 percent cutback due to sequestration.

Present Situation

CDBG, HOME and ESG Modifications

On July 13, 2013, the Community Development Committee (CDC) held a public meeting to make recommendations on the budget revisions. The CDC is a Council-appointed committee which makes recommendations on the use of these federal funds. The CDC’s primary concern was the significant reduction in ESG funds which the City provides to the local emergency shelters to help off-set their operating costs. The funds are also used to operate a homelessness prevention and re-housing program. Since the City received an increased CDBG allocation, the Committee recommended a one-time use of CDBG funds to backfill the reduction in ESG to allow the organizations to receive the same amount of funding that they were awarded on May 7, 2013. Staff agrees with the recommendation and does not intend for this action to set a precedent for the use of CDBG funds in the future. To accomplish this, it is recommended that St. Mary’s Interfaith Dining Room, Women’s Center/Family and Youth Services, and Tender Hands Safe Haven receive CDBG funding in place of...
the ESG funds that they were previously awarded. The funds will be used for the same purpose and have the same requirements.

All of the budget adjustments which are being recommended are shown in Exhibit 1 to the Resolution. They include increases to the Administration and Program Delivery budgets in CDBG and HOME to reflect the changes in the actual allocations. HUD allows each jurisdiction to use up to 20 percent of its CDBG allocation and 10 percent of its HOME allocation for Administration. If all of the funds allocated for program administration are not used during the 2013-14 fiscal year, any remaining balance will be rolled over and re-budgeted during the preparation of the 2014-15 Action Plan.

Other changes to the HOME budget include increases in the amount allocated to the Loan Fund and for Community Housing Development Organizations (CHDO). HUD regulations require that a minimum of 15 percent of the City’s HOME allocation be reserved for Community Housing Development Organizations (CHDO), which are community-based organizations that develop affordable housing. Currently, the City’s only certified CHDO is Visionary Home Builders.

City Operated Programs/Projects

It is requested that $100,000 of CDBG funds be allocated to the Miner Avenue Streetscape project to complete the planning and environmental review of the proposed project. The Miner Avenue Streetscape plan was approved by City Council on March 13, 2012. The plan addresses a ten block segment of Miner Avenue that extends from Center Street and Weber Point on the west to the Union Pacific Railroad tracks and the Robert J. Cabral Rail Station on the east. The proposed plan would change Miner Avenue from its current configuration, which is a four-lane “auto-dominated roadway” with diagonal parking and no landscaping, to a two-lane “complete street” with turn lanes at intersections, a landscaped median, a bike lane, parallel parking and landscaping between the street and the sidewalks (Attachment B - Miner Avenue Street Scape). A round-about is proposed at the Miner Avenue/Sutter Street intersection. Decorative pavement and brick crosswalks are proposed at all intersections. Seating areas and bicycle racks are also proposed in mid-block locations along the corridor. These improvements will make Miner Avenue a pedestrian-friendly street and encourage multiple modes of transportation. A goal of the plan is to encourage mixed-use and transit-oriented developments.

To complete the planning phase of the project, a Precise Road Plan must be prepared and environmental review of the project completed. The Precise Road Plan will identify future right-of-way requirements, roadway alignment, lane configuration, accommodations for multi-transportation modes, access restrictions, and intersection controls. Upon its completion, the Plan would be brought before Council for consideration.

FINANCIAL SUMMARY

Upon approval of the proposed amendment, the City Manager or his designee will be authorized and directed to make all necessary transfers and appropriations of funds in compliance with the amendment. General Fund dollars will not be affected by the proposed amendment.

Attachment A - Resolution 2013-05-07-1601
Attachment B - Miner Avenue Streetscape