



Request for City Council Committee Action from the Department of IGR

Date: February 21, 2007

To: Lisa Goodman, Chair, Community Development Committee

Referral to: Paul Ostrow, Chair, Ways & Means/Budget Committee

Subject: 2007 CDBG and Consolidated Plan Budget

Recommendation:

- 1) Approve revised 2007 Consolidated Plan Budget according to most recent staff-estimated HUD award;
- 2) Amend Resolution 2006R-607, Schedule 4- CDBG Program as noted in attached revised Schedule 4
- 3) Further, amend Resolution 2006R-607, as necessary, Schedule 4-CDBG Program by enacting across-the-board percentage increases/decreases upon receipt of official grant award notification by HUD
- 4) Direct Finance Department to adjust appropriation levels

Previous Directives:

December 11, 2006- 2007 Consolidated Plan Budget approved as part of City's 2007 Budget (Resolution 206R-607)

Prepared by: Matt Bower, Project Coordinator, Office of Grants & Special Projects, x2188

Approved by: Steven Bosacker, City Coordinator

Presenters in Committee: Gaynell Schandel, Manager, Office of Grants & Special Projects

Reviews

- Permanent Review Committee (PRC): Approval ___ Date _____
- Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

- No financial impact
- X Action requires an appropriation increase to the ___ Capital Budget or _X Operating Budget
- X Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- Action requires a change to the Business Plan
- Other financial impact

X Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other- Proposed new Schedule 4- CDBG will be included with program details in public draft of 2007 Consolidated Plan issued March 14, 2007.

Supporting Information

Recently Congress completed 2007 HUD budget appropriations and the President signed into law a continuing budget resolution funding HUD for the balance of federal fiscal year 2007. The 2007 Community Development Block Grant (CDBG) budget is set at the 2006 federal appropriation level. HUD has not informed the City of its share of HUD entitlement funding, however, for purposes of CDBG this offices estimates upwards of a 1% cut from its 2006 award.

This office will need to issue a draft of the City's proposed 2007 Consolidated Plan in early March for a thirty-day comment period. At this time, we request that in light of the large difference between the estimated CDBG budget the Council approved in December 2006 and recent HUD appropriation action, the Council approve a revised budget based on the new staff estimate. This will provide the public with a clearer picture of how the city will use its estimated CDBG resources.

This estimate will increase the CDBG budget passed by City Council in December 2006 by \$2,074,890. Staff recommends amending Resolution 2006R-607 by the amended Schedule 4 – CDBG Budget as attached. CDBG budget categories would be revised as follow:

Budget Category	CDBG 2006 Budget	Council 2007 CDBG budget approved in December	Proposed Revised Amount
Capital/Other	\$ 8,998,371	\$ 7,650,000	\$ 9,490,000
Public Service	\$ 2,095,354	\$ 1,768,000	\$ 1,942,890
Administration	\$ 2,757,421	\$ 2,355,000	\$ 2,415,000
CDBG Total	\$ 13,851,146	\$ 11,773,000	\$ 13,847,890

In order to stay within CDBG regulatory caps the following budget line items will be affected.

- With the exception of CPED Program Administration, Administration line items would remain same as Council approved in December
- Non-Public Health Advisory Committee competitive public service programs would be restored to 2006 appropriated levels
- Recent Council approved Public Health Advisory Committee competitive program appropriations would remain same (remain at \$681,000 total)
- Balance of funds would be applied to capital line items, an increase of \$1.76 million over what Council approved in December; an increase of \$416,000 over last year's approved amount

Staff further recommends that when the City receives official HUD award notification, Resolution 2006R-607, Schedule 4- CDBG Program be further amended by enacting an across-the-board percentage adjustment to all respective budget line items.

As Schedule 4 contains only one line item respectively for the HOME Investment Partnerships, Emergency Shelter Grant, American Dream Downpayment Initiative and Housing Opportunities for Persons with AIDS grants, these particular grants would receive an across-the-board adjustment when HUD informs the City of its grant awards.