



**Sacramento
Housing &
Redevelopment
Agency**

May 1, 2002



City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: MID-YEAR AMENDMENT TO THE CITY COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM (CDBG) 2002 ONE-YEAR ACTION PLAN AND
PREVIOUS YEARS ACTION PLANS**

LOCATION & COUNCIL DISTRICT - City

RECOMMENDATION

Staff recommends adoption of the attached resolution that authorizes the Executive Director or her designee to:

- reprogram \$2,045,267 in additional 2002 CDBG entitlement funds, unused 2001 capital reserves, and previously-approved CDBG activities that have either been completed or cancelled;
- appropriate \$1,600,000 for new and previously-approved CDBG activities to be completed within the next eighteen months;
- amend the 2002 One-Year Action Plan and previous years Action Plans governing the use of entitlement funds from CDBG, Housing Investment Partnership Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grant (ESG) programs;
- modify the address ranges for the Commercial Revitalization Program for the commercial corridor along Folsom Boulevard and 65th Street;
- execute all necessary agreements and contracts to carry out the recommended projects described in the body of this report; and
- amend the Agency budget to defund previously-approved CDBG activities and to include the new CDBG appropriations referenced above.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
May 1, 2002
Page 2

CONTACT PERSONS

Lisa Bates, Director, Community Development - City, 440-1337
Cynthia Cavanaugh, Program Manager, CDBG, 440-1322

FOR COUNCIL MEETING OF - May 14, 2002

SUMMARY

The attached resolution de-funds and reappropriates CDBG funds as part of a mid-year budget adjustment process. Activities that are being de-funded are those that have either been completed or cancelled for various reasons. Newly-funded activities are scheduled to be implemented and completed by December 31, 2003 to comply with federal regulations governing the timely expenditure of CDBG funds. Some appropriations augment previously approved activity budgets, while others constitute wholly new initiatives. All approved activities must be reported to the U.S. Department of Housing and Urban Development (HUD) as an amendment to the 2002 Action Plan and previous years' Action Plans that detail the use of CDBG funds.

COMMISSION ACTION

At its meeting May 1, 2002 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES:

NOES:

ABSENT:

BACKGROUND

CDBG funding allocations are made annually in the One-Year Action Plan approved by the City Council in November. This report formally amends the 2002 One-Year Action Plan and previous years' action plans by funding new projects and augmenting existing projects with additional CDBG entitlement and funds no longer needed for activities. This mid-year adjustment facilitates more timely expenditures as required by HUD. The recommended actions include:

1. reprogramming previously-approved CDBG activities that have either been completed with a budget surplus or are being cancelled;

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
 May 1, 2002
 Page 3

2. appropriating funds for new and existing activities that can be completed within the next eighteen months; and
3. modifying the address ranges for the Commercial Revitalization Program along the commercial corridor at Folsom Boulevard and 65th Street.

Reprogram Previously Approved CDBG Appropriations

Staff recommends that previously approved CDBG appropriations presented below be reprogrammed. Recommendations for re-appropriation of these funds are presented in later sections of this report.

Sources	Amount
Additional FY 2002 Entitlement received from HUD	\$43,219
2001 Capital Reserve - Includes funds originally set aside for contingency for capital projects in 2001 and budget savings from completed projects.	\$675,107
Public Service	
2001 Handicapped Housing Operations – Program funds were not needed and program not renewed.	\$25,000
Infrastructure and Public Improvements	
2001 Del Paso Nuevo Section 108 Loan Payment – Funding scheduled for Section 108 Loan repayment for Del Paso Nuevo in 2001. Since the loan was received near the end of the calendar year, not all of the repayments were needed.	\$288,037
2000 and 2001 Northgate Street Improvements – Project not identified. Other priorities in district, for example, Gardenland Park acquisition, will be funded in this report. (Reprogramming of current Council District 1 funds)	\$177,000
2000 and 2001 Central City Lighting – Project cancelled to allow funds to be used to install streetlights in the Mansion Flats Neighborhood. (Reprogramming of current Council District 3 funds)	\$133,000
2001 Marshall School Lighting – Project cancelled. Funds to be used to install streetlights in the Mansion Flats Neighborhood. (Reprogramming of current Council District 3 funds)	\$110,000
Commercial Rehabilitation	
2000 Commercial Rehabilitation Rebate Program – Funds in excess of program’s anticipated need for the year. Program will be operated with program income from previous loan repayments.	\$526,904

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
 May 1, 2002
 Page 4

Infrastructure and Public Improvement	
2001 Stanford Settlement Land Acquisition – Project cancelled. Land acquired with other Agency funds (\$45,000) to accommodate project schedule. (\$22,000 to be reprogrammed to Council District 1)	\$67,000
Total	\$2,045,267

Appropriations – New and Continuing Activities

Uses	Amount
New Capital Reserves is a set aside to establish a new capital reserve fund.	\$445,267
Economic Development	
2002 Microenterprise Program – Administration of the EnterFund, micro-enterprise loan program, operated by California Capital. CDBG funds will be used to for loans and administrative costs associated with loans to income-eligible participants to start up new businesses.	\$15,000
Infrastructure and Public Improvements	
2002 Del Paso Nuevo – Costs for land acquisition and costs associated with preparing sites for mixed income new home development in Del Paso Heights. Costs include acquisition, closing costs, relocation, and demolition. Approximately 40 sites will be purchased in the Del Paso Nuevo Homeownership Zone.	\$600,000
2002 Richards Blvd. Social Service Master Plan – Develop a plan with siting alternatives for social services within the following area boundaries: North 12 th Street to North 16 th Street and Sproule Avenue to North B Street	\$94,000
2002 Gardenland Park Acquisition – Acquisition of parcel on southern boundary for park expansion. Park is located on Bowman Avenue.	\$55,000
2002 Gardenland Park Master Plan – Park master plan for improvements of existing park and planned expansion. Park is located on Bowman Avenue.	\$20,000
2002 R Street Infrastructure Needs Assessment – Consultant to analyze infrastructure needs to accommodate a “build out” of the R Street Corridor Plan, including housing development.	\$63,000
2002 Neely Park Improvements – Improvements include play equipment, furniture walkways, and landscaping. Park is location in the Alkali Flat neighborhood between 10 th and 12 th E and F Streets. Project to be implemented by Department of Parks and Recreation.	\$88,000
2002 Mansion Flat Street Lighting Phase II – Installation of 40 streetlights on E Street between 12 th and 16 th Streets and 15 th Street between E and F Streets.	\$233,000
2002 Grant Park Tot Lot Improvements – Installation of play equipment, sidewalk, bike rack, irrigation system, and lawn seeding for neighborhood park located at 21 st and C Streets. Project to be implemented by Department of Parks and Recreation.	\$80,000

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
 May 1, 2002
 Page 5

2002 Hagginwood School Soccer Field – Project includes grading, irrigation, landscaping, and installation of permanent soccer goal posts to create recreation facilities for school youth and neighborhood children. School is located at 1418 Palo Verde Avenue. Project to be implemented by North Sacramento School District.	\$68,000
2002 Colonial Park Clubhouse – Purchase and installation of a modular building to carry out youth and senior activities at 18 th Avenue and 53 rd Street. Project to be implemented by Department of Parks and Recreation.	\$70,000
2002 Deeble Street Improvements – Installation of curbs, gutters, sidewalks, paving, fencing and landscaping improvements from 24 th Avenue to 26 th Avenue in residential neighborhood. Project to be implemented by Department of Public Works.	\$90,000
2002 Will C. Wood Healthy Start Resource Center – Purchase and installation of a modular building to carry out neighborhood services. Sacramento City Unified School District will implement the project and will be committing an additional \$18,000. School is located at 6201 Lemon Hill Avenue.	\$32,000
2002 Camellia Basic Elementary School Playground Equipment – Installation of playground equipment at elementary school located at 6600 Cougar Drive. Sacramento City Unified School District will be implementing the project and committing an additional \$15,000.	\$10,000
2001 George Sim Center Expansion Design – Design of George Sim Community Center expansion. Currently approved CDBG funding: \$55,000	\$82,000
Total	\$2,045,267

District allocations are based upon the 1990 census for low- and moderate-income populations residing in each district and the newly adopted district boundaries. This allocation method is used to distribute the \$623,000 in new infrastructure funding being allocated to capital improvement projects in this staff report. Due to the large CDBG allocations to Del Paso Nuevo project in Council District 2 in this staff report, and the to Franklin Villa in Council District 8 in the 2002 Action Plan, these areas will not be receiving additional funds at this time. The modified mid-year allocation chart listed below includes the distribution of the new infrastructure funding and the reprogramming amounts to new and existing capital projects by Council district.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
 May 1, 2002
 Page 6

Modified Mid-Year District Allocations

Council District 1 (14.13%)	\$88,000	Council District 2 (0%)	\$0
Reprogrammed	\$199,000	Reprogrammed	\$0
<hr/>			
<u>New Capital Improvement Projects</u>			
Richards Blvd Social Service Complex	\$94,000		
Gardenland Park Acquisition	\$55,000		
Gardenland Park Master Plan	\$20,000		
R Street Master Plan	\$30,000		
Neely Park Improvements	\$88,000		
Total	\$287,000	Total	\$0
Council District 3 (22.15%)	\$138,000	Council District 4 (18.12%)	\$113,000
Reprogrammed	\$243,000	Reprogrammed	\$0
<hr/>			
<u>New Capital Improvement Projects</u>		<u>New Capital Improvement Projects</u>	
Mansion Flat Lighting Phase II	\$233,000	R Street Master Plan	\$33,000
Grant Park Tot Lot Improvements	\$80,000	Additional funds allocated administratively :	[\$80,000]
Hagginwood School Soccer Field	\$68,000	Evelyn Moore Community Center	
Total	\$381,000	Total	\$33,000
Council District 5 (25.74%)	\$160,000	Council District 6 (19.2%)	\$124,000
Reprogrammed	\$0	Reprogrammed	\$0
<hr/>			
<u>New Capital Improvement Projects</u>		<u>New Capital Improvement Projects</u>	
Colonial Park Clubhouse	\$70,000	Will C. Wood Resource Center Health	\$32,000
Deeble Street Improvements	\$90,000	Camellia Basic Playground Equipment	\$10,000
		George Sim Center Expansion	\$82,000
Total	\$160,000	Total	\$124,000
Council District 7 (0%)	\$0	Council District 8 (0%)	\$0
Reprogrammed	\$0	Reprogrammed	\$0
<hr/>			
Total	\$0	Total	\$0

Project Amendments

The Commercial Revitalization Program provides exterior rebates and commercial loans to remove blighting conditions in targeted areas. As a result of a blight study, several new commercial strips along Northgate Boulevard, West El Camino Avenue, Downtown, Folsom Boulevard and 65th Streets were added January 29, 2002.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
May 1, 2002
Page 7

Since that date, staff determined that the address range included in the study for the Folsom Boulevard commercial corridor between 59th Street and Highway 50 was not properly identified. The correct range is 5901-7021 on the north side of Folsom Boulevard and 6200-7042 on the south side of Folsom Boulevard.

The 2001 Action Plan allocated funding to "Special Consultants" to assist in the development of the Five-Year Consolidated Plan. This description is being changed to also allow the payment of other expenses associated with developing the Consolidated Plan such mailing, advertising, and translations. The budget is not being increased.

FINANCIAL CONSIDERATIONS

An attached resolution authorizes the amendment of the Agency budget to reflect the \$2,045,267 of CDBG funds resulting from completed and cancelled projects, additional entitlement, and contingency, and the amendment of the 2002 and previous year's Action Plan to reflect newly-identified CDBG activities, including the 2002 Capital Reserve and augmentations to existing activities.

POLICY CONSIDERATIONS

The actions recommended in this report are consistent with previously approved policies and federal requirements.

ENVIRONMENTAL REVIEW

The proposed action is exempt from California Environmental Quality Act ("CEQA") review per CEQA Guidelines, Section 15262, and the National Environmental Quality Act ("NEPA") per Title 40 Code of Federal Regulations, Section 1508.4 and Title 24 Code of Federal Regulations, Section 58.34(a). All activities proposed in this report will be individually submitted for review under the requirements of CEQA and NEPA.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
May 1, 2002
Page 8

M/WBE CONSIDERATIONS

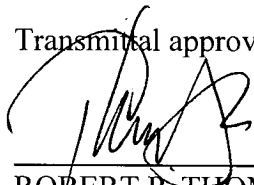
The Agency's Minority and Women's Business Enterprise Program will be applied to all applicable projects, where required by the federal funding source.

Respectfully submitted,



ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT P. THOMAS
City Manager



RESOLUTION NO. 2002-274

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF

AUTHORIZATION TO AMEND THE 2002 AGENCY BUDGET TO REFLECT THE REPROGRAMMING AND DEFUNDING OF CITY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS; and AUTHORIZATION TO AMEND THE YEARS 2000, 2001 AND 2002 ACTION PLANS

WHEREAS, a duly noticed public hearing was had on May 14, 2002

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. The Executive Director or her designee is authorized to amend the 2002 Agency budget to reflect the reprogramming and defunding of the City CDBG funds as set forth in the attached staff report.

Section 2. That the Executive Director or her designee is authorized to amend the 2000, 2001 and 2002 Action Plans as set forth, and the following projects shall be cancelled and unused funds allocated to Capital Reserve:

- 2001 Handicapped Housing Operations \$25,000
- 2001 Del Paso Nuevo Section 108 Loan Payment \$288,037
- 2001 Northgate Street Improvements \$100,000
- 2001 Central City Lighting \$95,000
- 2001 Marshall School Lighting \$110,000
- 2001 Stanford Settlement Land Acquisition \$67,000
- 2000 Commercial Rehabilitation Rebate Program \$526,904
- 2000 Central City Lighting \$38,000
- 2000 Northgate Street Improvements \$77,000

Section 3. That the Executive Director or her designee is authorized to amend the 2001 and 2002 Action Plans, allocating the following amounts from Capital Reserve to the following projects:

- 2002 Capital Reserve \$445,267
- 2002 Microenterprise Program \$15,000
- 2002 Del Paso Nuevo \$600,000
- 2002 Richards Boulevard Social Service Master Plan \$94,000
- 2002 Gardenland Park Acquisition \$55,000

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____ (9)

- 2002 Gardenland Park Master Plan \$20,000
- 2002 R Street Master Plan \$63,000
- 2002 Neely Park Improvements \$88,000
- 2002 Mansion Flat Street Lighting Phase II \$233,000
- 2002 Grant Park Tot Lot Improvements \$80,000
- 2002 Hagginwood School Soccer Field \$68,000
- 2002 Colonial Park Clubhouse \$70,000
- 2002 Deeble Street Improvements \$90,000
- 2002 Will C. Wood Healthy Start Resource Center \$32,000
- 2002 Camellia Basic Playground Equipment \$10,000
- 2001 George Sim Center Expansion \$82,000

Section 4. That the Executive Director is authorized to execute contracts with the appropriate entities to carry out the projects as amended within the 2001 and 2002 Action Plans and amended Agency budget.

Section 5. That the Executive director or her designee is authorized to submit to the United States Department of Housing and Urban Development (HUD) the amended 2000, 2001 and 2002 Action Plan for and on behalf of the City, including any related amendments and public comment.

Section 6. The Executive Director or her designee is authorized to modify the Commercial Revitalization Program to modify the address ranges along Folsom Boulevard as set forth in the attached staff report.

Section 7. That the Agency is authorized to modify the 2001 Action Plan description for Special Consultants to also allow for the payment of other expenses associated with developing the Consolidated Plan such as mailing, advertising, and translations.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____