TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER
DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: APRIL 11, 2005
CMR: 210:05

SUBJECT: APPROVAL OF AMENDMENT NO. 1 TO AGREEMENT NO. S05110214 BETWEEN THE CITY OF PALO ALTO AND PALO ALTO SENIOR HOUSING PROJECT, INC. FOR FUNDS ALLOCATED DURING THE FISCAL YEAR 2004/05 UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM TO INCREASE THE AMOUNT OF THE AGREEMENT FROM $38,260 TO $83,260

RECOMMENDATION
Staff recommends that the City Council approve and authorize the City Manager or his designee to execute the attached amendment to the agreement with Palo Alto Senior Housing Project, Inc. to increase the amount of the agreement from $38,260 to $83,260.

BACKGROUND
In 2004/05, Palo Alto Senior Housing Project, Inc. was awarded Community Development Block Grant (CDBG) funding in the amount of $38,260 for the repair and upgrade of the hot water pipe system at the Stevenson House senior housing facility located at 455 E. Charleston Road. The CDBG program currently has approximately $188,000 in fiscal year 2003/04 funds from the Clara-Mateo Alliance kitchen project, which was unable to proceed because of site control issues. Under HUD requirements, these funds need to be partially expended by April 30, 2005.

DISCUSSION
Stevenson House is required to provide dinner to its elderly residents five evenings a week. The walk-in cooler and freezer are essential components of this program. It was recently discovered that the facility’s cooler and freezer were in urgent need of repair. Palo Alto Senior Housing Project applied for a new CDBG grant in fiscal year 2005/06, to repair the cooler and freezer. However, at staff’s suggestion, the proposal has been modified to request funds immediately for the project based on the urgency of both the need to expend HUD funds by April 30, 2005 and the need to repair the Stevenson House cooler and freezer immediately.

In order to replace the walk-in cooler and freezer, staff is proposing to reallocate unexpended funds in the amount of $45,000 from the Clara-Mateo Alliance project to the Stevenson House project.
RESOURCE IMPACT
The $45,000 amendment to the agreement will be funded with federal CDBG funds provided through Department of Housing and Urban Development.

POLICY IMPLICATION
The recommendation in this staff report is consistent with HUD policies and does not represent any change to City policies.

PREPARED BY: ________________________________
Eloiza Murillo-Garcia, Associate Planner-CDBG

APPROVED BY: ________________________________
STEVE EMSLIE, Director of Planning & Community Environment

CITY MANAGER APPROVAL: ________________________________
EMILY HARRISON, Assistant City Manager

Attachment:
A - Amendment No. 1 to Agreement No. S05110214 Between the City of Palo Alto and Palo Alto Senior Housing Project, Inc. For Funds Allocated During the Fiscal Year 2004/05 Under the Community Development Block Grant Program

B - Agreement No. S05110214 Between the City of Palo alto and Palo Alto Senior Housing Project, Inc. for Funds Allocated During Fiscal Year 2004/05 Under the Community Development Block Grant Program

Cc: Palo Alto Senior Housing Project
    CDBG Citizens Advisory Committee