TO:      HONORABLE CITY COUNCIL

FROM:    CITY MANAGER
DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE:    MAY 3, 2004

CMR: 239:04

SUBJECT:  FINANCE COMMITTEE RECOMMENDATION RE: PROPOSED FISCAL YEAR 2004/05 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING ALLOCATIONS AND DRAFT ACTION PLAN

RECOMMENDATION
The Finance Committee recommends to the City Council approval of the following:

1. Allocate CDBG funding as recommended by staff and the Citizens Advisory Committee (CAC) in the final 2004/05 Action Plan update to the Consolidated Plan for the period 2000 to 2005.

2. Commit future CDBG funds to repay the General Fund for a portion of the CDBG-eligible site acquisition costs in connection with a new affordable housing project, if a site can be identified and acquired in 2004/05.

3. Authorize staff to submit the 2004/05 Action Plan to the Department of Housing and Urban Development (HUD) by the May 15, 2004 deadline.

4. Authorize the City Manager, on behalf of the City, to execute the 2004/05 application and Action Plan for CDBG funds and any other necessary documents concerning the application, and to otherwise bind the City with respect to the application and commitment of funds.

COMMITTEE REVIEW AND RECOMMENDATIONS
The Committee voted unanimously to recommend to Council the staff and CAC recommendation with the following changes:
5. Decrease by $30,000 the funding in FY 2004/05 to the CDBG housing development fund and;

6. Provide $30,000 in funding to Economic and Social Opportunities, Inc. (ESO) for housing and energy services in FY 2004/05, to be reviewed mid-fiscal year by Council and;

7. Provide an additional $30,000 to ESO at mid-fiscal year based on ESO’s progress in expending funds allocated to it in the first half of the fiscal year. The additional $30,000 if granted at mid-fiscal year is to be transferred from the CDBG housing development fund.

ATTACHMENTS

Attachment A: Summary of Funding Recommendations
Attachment B: Resolution
Attachment C: CMR 190:04
Attachment D: 30th Anniversary of the CDBG Program Announcement

Prepared by: ________________________________
Eloiza Murillo-Garcia
Associate Planner - CDBG

Department Approval: ________________________________
STEPHEN EMSLIE
Director of Planning and Community Environment

City Manager Approval: ________________________________
EMILY HARRISON
Assistant City Manager

Cc: Citizens Advisory Committee
2004/2005 CDBG Applicant Agencies