TO:            HONORABLE CITY COUNCIL

FROM:        CITY MANAGER    DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE:  JANUARY 24, 2005     CMR: 133:05

SUBJECT:   APPROVAL OF AMENDMENT NO. 1 TO AGREEMENT NO. C05109546 BETWEEN THE CITY OF PALO ALTO AND ECONOMIC AND SOCIAL OPPORTUNITIES, INC. (ESO) FOR $30,000 IN ADDITIONAL FUNDING TO BE ALLOCATED DURING FISCAL YEAR 2004/05 UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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 Economic and Social Opportunities (ESO) to allocate additional funds in the amount of $30,000 for its Housing and Energy Services program.

BACKGROUND
ESO was allocated $30,000 in CDBG funding during fiscal year 2004/05 for providing minor home improvements, including energy efficiency and accessibility improvements to a minimum of 13 households in the City. ESO had originally requested funding in the amount of $60,000, but the Council allocated $30,000 for it to assist a minimum of 13 households, with the possibility of additional funding at mid-fiscal year based on its performance. There was concern because ESO had been allocated $60,000 in fiscal year 2003-04 and most of the households served were in one senior housing complex. The CDBG Citizens Advisory Committee had hoped that the households assisted would be dispersed throughout the City.

Council requested that a progress report be presented at mid-fiscal year to determine if ESO would receive the additional $30,000 allocation. The additional allocation would come from the CDBG Housing Development Fund. The CDBG Housing Development Fund was allocated $409,312 in fiscal year 2004-05 for the acquisition or predevelopment costs of an affordable housing site.

DISCUSSION
ESO has assisted a total of 15 households from July 1 to December 31, 2004 at various locations throughout the City. The work performed included the installation of wheel chair ramps, weatherization and minor plumbing repairs. ESO has broadened its outreach efforts in fiscal
year 2004-05. It worked with the City’s Human Services Department to produce a utility bill insert for Palo Alto residents, which generated many inquiries.

**RESOURCE IMPACT**
The amendment will involve the shift of previously allocated funds from one project to another. The cost of the agreement will be funded with federal CDBG funds provided through the U.S. Department of Housing and Urban Development (HUD).

**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. C05109546 Between the City of Palo Alto and Economic and Social Opportunities, Inc. (ESO) For Funds Allocated During the Fiscal Year 2004/05 Under the Community Development Block Grant

B- Agreement No. C05109546 Between the City of Palo Alto and Economic and Social Opportunities, Inc. for Funds Allocated During Fiscal Year 2004/05 Under the Community Development Block Grant Program

Cc: Economic and Social Opportunities
    CDBG Citizens Advisory Committee