TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER
DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT
DATE: MAY 5, 2008
CMR: 223:08
SUBJECT: FINANCE COMMITTEE RECOMMENDATION TO ADOPT PROPOSED FISCAL YEAR 2008/09 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING ALLOCATIONS AND DRAFT ACTION PLAN

RECOMMENDATION
The Finance Committee and staff recommend to the City Council approval of the following:

1. Allocate CDBG funding as recommended by staff and the Citizens Advisory Committee (CAC) in the 2008/09 Action Plan.

2. Authorize staff to submit the 2008/09 Action Plan to the Department of Housing and Urban Development (HUD) by the May 15, 2008 deadline.

3. Authorize the City Manager, on behalf of the City, to execute the 2008/09 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 staff and the CAC recommendations were presented to the Finance Committee on April 1, 2008. First, staff summarized the recommendations and then the CAC spokesperson gave a brief overview of the CAC discussions regarding the recommendations. The Committee voted unanimously to recommend to Council the staff and Citizens Advisory Committee recommendations.

POLICY IMPLICATIONS
All of the applications recommended for funding in fiscal year 2008/09 are consistent with the priorities established in the City’s adopted Consolidated Plan for the period 2005 to 2010. They are also consistent with the housing programs and policies in the adopted Comprehensive Plan.

RESOURCE IMPACT
Funding of the proposed public services projects, capital improvement projects and fair housing costs will not impact the City’s General Fund as the funds will be provided through the U.S.
Department of Housing and Urban Development grant. A portion of the staff salaries (as outlined in the attached Finance Committee report) needed to administer the CDBG program is subsidized by the City’s General Fund, while the rest comes from the HUD grant.

ENVIRONMENTAL REVIEW
For purposes of the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA), budgeting in itself is not a project. HUD environmental regulations for the CDBG program are contained in 24 CFR 58 “Environmental Review Procedures for Title I Community Development Block Grant Programs.” The regulations require that entitlement jurisdictions assume the responsibility for environmental review and decision-making under NEPA. Prior to the commitment or release of funds for each of the proposed projects, staff will carry out the required environmental reviews or assessments, and certify that the review procedures under CEQA, and HUD and NEPA regulations have been satisfied for each particular project.

ATTACHMENTS
Attachment A: Fiscal Year 2008-2009 Funding Recommendation Chart
Attachment B: CDBG Funding Resolution for fiscal year 2008/09
Attachment C: CMR 185:08
Attachment D: Minutes of April 1, 2008 Finance Committee Meeting

Prepared by: ______________________________
Eloiza Murillo-Garcia, Planner-CDBG

Department Head: _________________________
CURTIS WILLIAMS, Director
Planning and Community Environment

City Manager Approval: _______________________
STEVE EMSLIE and KELLY MORARIU
Deputy City Managers

Cc: CDBG Citizens Advisory Committee Members
   2008/2009 CDBG Applicant Agencies