



Agenda Item:

32

COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 03/22/04

Communication

No.: 04-136

Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Chris M. Johansen, Director, Housing Services Department

SUBJECT—

City Council approval of Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Program carryover funds and projected program income for the HUD 2004 Consolidated Plan.

SYNOPSIS—

City Council approval to carryover previous years' CDBG and/or HOME funds, and projected 2004 program income in various projects, as well as allocation of program income, committed, and/or contracted funds to ongoing projects approved for the 2004 program year.

FISCAL IMPACT—

Carryover \$2,308,005 of CDBG and \$1,948,750 of HOME funds and allocate \$725,000 of CDBG and \$125,000 of HOME 2004 projected program income to various projects included in the 2004 HUD Consolidated Plan.

RECOMMENDATION—

Approval.

BACKGROUND—

Attached is a list of city-operated programs that received CDBG and/or HOME funding in 2003 and are included in the 2004 Consolidated Plan. The attachment includes information regarding the 2004 allocations, proposed carryover funds and projected 2004 program income.

In developing the allocations for the current program year, carryover funds and program income were taken into consideration when budgeting 2004 entitlement funds for these projects.

All but \$250,000 (CDBG) of the Neighborhood Conservation Services (NCS) Owner/Occupied Program is committed or contracted for specific projects. In 2004, NCS will process 20 owner/occupied major rehabilitations and 100 emergency repairs.

The NCS Investor/Owned Program has \$295,842 (HOME) and \$147,945 (CDBG) uncommitted at this time. In 2004, NCS will rehabilitate 81 rental units.

All of the HOME funds for the NCS New Construction Program have been encumbered. In 2004, 100 new rental units and 21 owner/occupied homes will be constructed or underway.

The total number of rental and single-family units to be constructed or rehabilitated through NCS in 2004 is 322.

The Economic Development Program continues to generate program income and has experienced increased participation in the Neighborhood Commercial Rehabilitation Program. Two businesses in the East Village have received assistance this year and several more are in process.

The Private Property Clean Up Program is generating enough program income at this time to operate on carryover and projected program income. No new entitlement funds were allocated for 2004.

The Demolition Program is also producing program income and, with the carryover funds, will demolish an estimated 35 structures in 2004.

The King/Irving Housing Consortium is progressing and will be fully underway this year. It is anticipated that this will be a multi-year project and will carryover funding into next year.

At their meeting on March 3, 2004, the Neighborhood Revitalization Board reviewed the proposed carryover and projected program income for the above projects and recommended approval. _

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**RECOMMENDED CARRYOVER AND PROGRAM INCOME FOR
 2004 HUD CONSOLIDATED PLAN PROJECTS**

<u>2004 PROJECT FUNDING INCOME</u>	<u>2003 CARRYOVER</u>	<u>2004 PROG.</u>
NCS Owner Occupied (CDBG) (\$591,255 CDBG) (HOME)	\$872,531 (CDBG) \$311,552 (HOME)	\$100,000 \$ 25,000
NCS Investor Owned (\$360,000 CDBG) (HOME)	\$317,564 (CDBG) \$825,198 (HOME)	\$10,000 (CDBG) \$100,000
NCS New Construction (\$707,570 HOME)	\$812,000 (HOME)	-0-
Economic Development (No new 2004 funding) (CDBG)	\$697,227 (CDBG)	\$260,000
Private Property Clean Up (No new 2004 funding) (CDBG)	\$125,000 (CDBG)	\$265,000
Demolition (\$300,000 CDBG) (CDBG)	\$82,001 (CDBG)	\$90,000
King/Irving Housing Consortium (\$400,000 CDBG)	\$213,682 (CDBG)	-0-

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