



Council
Communication
 Office of the City Manager

Date	May 7, 2007
Agenda Item No.	42
Roll Call No.	07-
Communication No.	07- 248
Submitted by: Richard A. Clark, City Manager	

AGENDA HEADING:

Reprogramming of prior years Community Development Block Grant (CDBG) funding to balance Program Year (PY) 2007 funding shortfall.

SYNOPSIS:

Recommend City Council approval to reprogram prior years unspent CDBG funding to balance the PY 2007 Consolidated Plan, fund an additional project and provide additional funding for the Neighborhood Commercial Revitalization Program.

FISCAL IMPACT:

Amount: \$275,664.18

Funding Source: PY 2006 CDBG and program income.

Reallocating \$275,664.18 of unspent CDBG funds will balance the PY 2007 Consolidated Plan, fund The Primary Health Care Program and supplement funding for the Office of Economic Development’s Neighborhood Commercial Revitalization Program, as recommended by the City Council at the November 20, 2006 Public Hearing.

ADDITIONAL INFORMATION:

The following is a list of CDBG projects, which have unspent funds from previous program years:

2006 Projects	Amount
Unallocated Program Income	\$145,009.00
Administration	74,361.57
NCS Technical Assistance	19,409.51
Hansen House	2,157.52
NFC Tool Lending Library	4,237.72
NFC Homebuyer Program	467.53
Creative Visions	4,426.33
Central Iowa Shelter & Services (CISS)	26.00
CISS Transit Program	569.00
CHDC Homeowner Maintenance Project	25,000.00
Total	\$275,664.18

NCS Technical Assistance, Administration, Hansen House, NFC Tool Lending, NFC Homebuyer, Creative Visions, and Central Iowa Shelter & Services all under-spent their 2006 allocations. Program income from the Public Works Private Property Cleanup program exceeded project costs. Program income (\$9,507) was also realized from the sale of property acquired with CDBG Urgent Need and Federal Emergency Management Agency (FEMA) funds as a result of the 1993 flood. Because of other priorities, the Community Housing Development Corporation (CHDC) decided not to implement the \$25,000 Homeowner Maintenance Project at this time.

The following shows actual 2007 Consolidated Plan funding compared to what was projected in August 2006.

<u>2007</u>	<u>CDBG</u>	<u>HOME</u> (includes American Dream Downpayment Initiative (ADDI))*	<u>ESG</u>
Estimated	\$4,650,000	\$1,145,000	\$195,000
Actual	4,406,467	1,038,705	190,131
Difference	(243,533)	(106,295)	(4,869)
Reprogrammed	+194,825	-0-	+10,953
Admin.	(962,184)	(101,580)	(14,631)
Available for Projects	3,639,108	937,125	186,453
Allocated 11/20/06	3,807,498	1,033,000	186,453
Short/Over	(\$168,390)	(\$95,875)	-0-

* Estimated ADDI for 2007 was \$25,000 – actual allocation is \$22,908

At the Public Hearing, to approve the 2007 Consolidated Plan, on November 20, 2006, the City Council approved a motion to give priority to Primary Health Care and the Office of Economic Development for any additional or reprogrammed funds. The City Manager recommends that:

- \$168,390 of the available reprogramming funds be used to cover the shortage in the 2007 Action Year Plan;
- \$20,000 be allocated to Primary Health Care; and
- \$87,274.18 be allocated to the OED Neighborhood Commercial Revitalization Program.

The shortage in HOME funds can be absorbed by the Neighborhood Conservation Services Division; and the shortage of ESG funding can be balanced by reducing the administration allocation to Housing Services by \$5,829. The Department had budgeted a total of \$19,500 for ESG, which included the 5% administration allowance, funding for homeless prevention and printing of a Shelter and Services booklet. The booklet was reprinted in 2006 and won't need updating until 2008.

PREVIOUS COUNCIL ACTION(S):

Date: November 20, 2006

Roll Call Number: 06-2324

Action: On Proposed Third Year Action Plan 2007 of the 2005-2009 US Department of Housing and Urban Development (HUD) Consolidated Plan, (continued from November 6, 2006). (Council Communication No. 06-712) Moved by Vlassis to adopt the City Manager's recommendation with the following amendments: 1. Reduce OED-Neighborhood Commercial Revitalization by \$30,000 to fund the ISED Project. 2. Priorities for Reprogramming are Primary Health and OED. 3. NFC and CCI are encouraged, not required to work together next year. 4. Have information regarding recipients available on the City's website. Motion Carried 6-0.

BOARD/COMMISSION ACTION(S):

Date: May 2, 2007

Roll Call Number: NA

Action: The Neighborhood Revitalization Board (NRB) recommended approval.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE