

*STAFF REPORT**CITY OF OCEANSIDE*

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DATE: October 14, 2009

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **APPROVAL TO DEOBLIGATE AND REALLOCATE \$37,220 OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS; APPROVAL TO APPROPRIATE \$37,220 FROM THE MORTGAGE REVENUE BOND FUND FOR EMERGENCY HOUSING ACTIVITIES; APPROVAL TO APPROPRIATE \$5,500 FROM CDBG CONTINGENCY FUNDS FOR IMPROVEMENTS TO JOE BALDERRAMA PARK; AND APPROVAL TO AMEND THE 2009-10 ACTION PLAN ACCORDINGLY**

**SYNOPSIS**

Staff recommends that the City Council deobligate \$37,220 of FY 2009-10 Community Development Block Grant (CDBG) public services funds allocated for homeless services at YMCA Oz North Coast youth shelter, the Women's Resource Center domestic violence shelter and Fraternity House; appropriate \$37,220 from the Mortgage Revenue Bond Fund available balance to replace the deobligated funds for these services; appropriate \$37,220 of CDBG public services funds to Community Resource Centers and \$5,500 from CDBG contingency funds for improvements to Joe Balderrama Park; and approve amending the 2009-10 Action Plan accordingly.

**BACKGROUND**

The City Council approved the FY 2009-10 Action Plan of the 2005-10 Consolidated Plan for Housing and Community Development on May 6, 2009. The Action Plan describes all activities funded through the Community Development Block Grant (CDBG) program including public services, code enforcement, housing rehabilitation, capital improvement projects, loan payments, and administration of the CDBG grant program. These CDBG-funded programs are now underway and will be completed by June 30, 2010. At the same time, income to the City's General Fund has been significantly reduced due to the declining sales tax revenue resulting from the current economic recession and actions of the California State Legislature to withhold and/or delay payments of property tax revenue to cities. Staff of the Neighborhood Services Department have explored ways to use CDBG funds to alleviate potential reductions in services to low- and moderate-income individuals, families and neighborhoods. Federal regulations, however, require that all CDBG Program funds be used to supplement and

not supplant other funding sources. CDBG regulations also limit the amount of funds that can be used each year for public services to no more than fifteen percent of the total entitlement grant for that year. The City Council on March 11, 2009, allocated 2009-2010 CDBG public services funds equal to the fifteen percent cap; the Council must approve any significant changes (substantial amendments) to the Action Plan at a public hearing.

## **ANALYSIS**

The City proposes to provide additional funding to support the City's community resource centers through deobligation and reallocation of 2009-2010 CDBG public services funds, and allocation of funds from the Mortgage Revenue Bond Fund available balance for eligible housing activities:

1. The City proposes to deobligate \$37,220 of FY 2009-10 CDBG public services funding allocated for three housing programs: the YMCA Oz North Coast shelter for homeless and runaway youth (\$17,800), the Women's Resource Center emergency domestic violence shelter (\$11,820), and Fraternity House AIDS Caregiving (\$7,600). This action will make \$37,220 of CDBG public services funds available for reallocation.
2. The City proposes to replace the deobligated funds for the three housing programs with an allocation of \$37,220 from the Mortgage Revenue Bond (MRB) Fund available balance. The MRB available balance may only be used for programs directly related to housing for low- and moderate-income and/or homeless individuals or families. The Women's Resource Center, Fraternity House and YMCA Youth and Family Services, which sponsors the Oz North Coast shelter, provide housing services that meet this requirement.
3. The City proposes to allocate the \$37,220 of available FY 2009-10 CDBG public services funds to a new activity, Community Resource Centers, to support programs and activities of the Libby Lake Community Center and the Crown Heights Resource Center.

These actions will continue funding for important housing programs serving residents of the City while at the same time providing additional funds for services in low-income neighborhoods of the City.

The City proposes one additional project for 2009-10 CDBG funding. The handball courts at Joe Balderrama Park provide a valuable recreation activity for youth and adults in the neighborhood. There is a small area between the handball courts and houses on the west side of the park. The City proposes to erect permanent fencing to enclose this small area as a means to promote safety and security for park patrons and neighborhood residents. The handball courts will not be affected and will remain open. The City proposes to allocate \$5,500 from the CDBG contingency fund for this project. The CDBG contingency fund has more than \$75,000 available for allocation to eligible projects.

The deobligation and allocation of CDBG funds comply with regulations governing the CDBG program, and the two new activities are eligible for CDBG funding. The allocation of MRB funds for the housing programs complies with requirements for use of those funds; the three programs provide shelter for persons who would otherwise be at risk of becoming homeless.

### **FISCAL IMPACT**

The City proposes four actions:

- deobligate \$37,220 of 2009-10 CDBG public services funds including \$11,820 allocated to the Women's Resource Center domestic violence shelter (921813000237), \$17,800 allocated to the YMCA Oz North Coast youth shelter (921803000237), and \$7,600 allocated to Fraternity House (921482400237); the deobligated funds will be placed in the CDBG contingency account (921790000237);
- appropriate \$37,220 from the Mortgage Bond Fund available balance to Homeless Shelters (928880400286) in order to fulfill the City's obligation to the three housing programs; the fund currently has approximately \$424,750 available for funding;
- appropriate \$37,220 from the CDBG contingency fund (921790000237) to "Community Resource Centers" (921115300237);
- appropriate \$5,500 from the CDBG contingency fund (921790000237) to Joe Balderrama Park Improvements (921115400237).

There is no impact on the General Fund.

### **COMMISSION OR COMMITTEE REPORT**

The ad hoc CDBG Application Review Committee completed its work in March of this year and does not review proposed changes to the CDBG program during the year. The proposed actions do not eliminate funding for any program approved by the City Council.

### **CITY ATTORNEY'S ANALYSIS**

The City Council is authorized to hold a public hearing in this matter. Consideration of the matter should be based on the testimony and evidence presented at the hearing. After conducting the public hearing, the Council shall affirm, modify or deny the project.

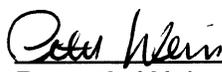
**RECOMMENDATION**

Staff recommends that the City Council deobligate \$37,220 of FY 2009-10 Community Development Block Grant (CDBG) public services funds allocated for homeless services at YMCA Oz North Coast youth shelter, the Women's Resource Center domestic violence shelter and Fraternity House; appropriate \$37,220 from the Mortgage Revenue Bond Fund available balance to replace the deobligated funds for these services; appropriate \$37,220 of CDBG public services funds to Community Resource Centers and \$5,500 from CDBG contingency funds for improvements to Joe Balderrama Park; and approve amending the 2009-10 Action Plan accordingly.

PREPARED BY:

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New BU#	BU Title	Fund	Cat 5	Description	Cat 6	Description	Cat 7	Description	Cat 8	Description	Cat 15	Description	Cat 16	Description	Cat 17	Description
921115300237	Community Resource Centers	237	4	Community Development	90	Neighborhood Services	921	CDBG	904	Social Services	10	other	04	Comm. Development	21	Housing CDBG
921115400237	JoeBalderamma PK Enhancements	237	6	Capital Outlay	91	Social Services	921	CDBG	908	Capital Contribution	02	Bldgs Structures IOTB	04	Comm. Development	21	Housing CDBG

Subledgers set up for the following Titles: