



DATE: September 28, 2011

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **APPROVAL TO APPROPRIATE \$355,000 FROM THE FY 2011-2012 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM ENTITLEMENT GRANT FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR CODE ENFORCEMENT ACTIVITIES; APPROVAL TO TRANSFER \$30,000 FROM THE CDBG PROGRAM CONTINGENCY FUND FOR IMPROVEMENTS TO THE BROOKS STREET SWIM CENTER AND \$17,500 FOR A NEW WALK-IN FREEZER AT THE COUNTRY CLUB SENIOR CENTER FOR THE SENIOR NUTRITION PROGRAM; AND, APPROVAL TO AMEND THE 2011-2012 ACTION PLAN ACCORDINGLY**

### **SYNOPSIS**

Staff recommends that the City Council appropriate \$355,000 from the FY 2011-2012 Community Development Block Grant (CDBG) Program entitlement grant from the U.S. Department of Housing and Urban Development (HUD) for Code Enforcement activities; approve the transfer of \$30,000 from the CDBG Contingency Fund for improvements to the Brooks Street Swim Center and \$17,500 for a new walk-in freezer at the Country Club Senior Center for the senior nutrition program; and, amend the 2011-2012 Action Plan accordingly.

### **BACKGROUND**

The City receives Community Development Block Grant (CDBG) funds each year from the U.S. Department of Housing and Urban Development (HUD). The City Council approved the FY 2011-2012 Action Plan for use of the CDBG funds on May 4, 2011. The Action Plan describes all activities funded through the 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, 2012. Federal regulations require that all CDBG Program funds be used to supplement and not supplant other funding sources. CDBG regulations limit the amount of funds that can be used each year for administration and planning to no more than twenty percent of the entitlement grant for that year; CDBG allocations for public services are limited to no more than fifteen percent of the entitlement grant for that year. The Council must

approve any significant changes (substantial amendments) to the Action Plan at a public hearing.

The City received the 2011-2012 CDBG Program agreement from HUD on September 12, 2011, two months later than in recent years due to delays by Congress in approving the FY 2010-2011 federal budget. The City Council on May 4, 2011, adopted the 2011-2012 CDBG budget based on confirmation from HUD as to the amount of entitlement funds the City would receive. A copy of the budget as approved by the Council is attached for reference; the actual award shown in the program agreement is the same as was presented to the Council in May. While the City moved forward on preparing agreements with subrecipients for the use of 2011-2012 CDBG funds as approved by the Council, signed agreements are not returned to subrecipients nor are payment requests honored until the City has signed and returned the agreement with HUD.

The Brooks Street Swim Center (BSSC) is one of the City's oldest recreational facilities. The City Council allocated \$100,000 of CDBG fund for improvements to the BSSC in 2008 and design work for such improvements was completed in 2010. Planned improvements include replacement of swimming pool and wading pool plaster finishes; replacement of pool wall inlets and corroded copper pipe; replacement of underwater pool lights; and replacement of miscellaneous areas of damaged pool tile and coping. The City went out to bid for the project earlier this year and received bids for the project in August 2011. All bids received plus expenditures already incurred exceeded the amount allocated for the project.

The Oceanside Senior Citizens Association (OSCA) provides hot, healthy meals five days a week to seniors at the Country Club Senior Center (CCSC) and by delivery to seniors and persons with disabilities who cannot easily travel to the center. The City leases the kitchen at the CCSC to the OSCA to provide the meals. All permanent fixtures at the kitchen remain the property of the City; the OSCA is responsible for all costs related to operation and management of the Senior Nutrition Program. The majority of funds for the senior nutrition program comes from the County of San Diego Aging and Independence Services.

## **ANALYSIS**

### **Code Enforcement Program**

Code Enforcement is an eligible activity for CDBG funding so long as CDBG funds are used for the payment of costs associated with property inspection and any follow-up action. The City has used CDBG funds in past years to fund two officers for code enforcement activity in the Neighborhood Revitalization Strategy Areas (NRSA) including the Libby Lake / Calle Montecito NRSA and the Crown Heights / Eastside neighborhoods. In the FY 2011-2012 Action Plan the City recommended using CDBG funds to support a third officer for a new program of proactive code enforcement. HUD regulations require that CDBG funds be used to supplement and not supplant local funds; any use of CDBG funds must be for new or expanded activities and not replace

City funds. CDBG funds allocated for code enforcement activities may not be used to correct violations or to eliminate blight.

### Brooks Street Swim Center

The City Council approved \$100,000 of CDBG funds in 2008 for improvements to the Brooks Street Swim Center. Following completion of design requirements the City went out to bid for the project. The low bid for the project came in at \$90,645, which together with expenses already incurred and additional work under consideration will take the total project budget to approximately \$130,000, leaving a gap of \$30,000. Any additional CDBG funds for the project must be approved by the City Council. The activity is an eligible project under HUD CDBG regulations; the proposed work is necessary to operate the pool in a safe and sanitary condition and to comply with County requirements for public pools.

### Oceanside Senior Citizens Association

The Oceanside Senior Citizens Association (OSCA) manages a senior nutrition program at the Country Club Senior Center. The program serves a hot, healthy meal to seniors at the center and by delivery to homebound seniors and persons with disabilities. The program serves an average of 65 seniors in the congregate setting with over 1,000 congregate meals and 2,500 home-delivered meals prepared each month. A recent monitoring visit by San Diego County Health and Human Services revealed that the current walk-in cooler/freezer needs to be replaced to meet health and safety standards. The City leases the kitchen to the Association at no cost for the program so long as the Association provides the senior nutrition services. While the Association manages the senior nutrition program and is responsible for all day-to-day operations, the City retains ownership of all permanent equipment. A new walk-in cooler/freezer will cost between \$15,000 and \$17,500; any allocation of CDBG funds for the project must be approved by the City Council. The activity is an eligible project under HUD CDBG regulations.

## **FISCAL IMPACT**

The proposed action will appropriate \$355,000 from FY 2011-2012 CDBG entitlement grant funds (Fund 00237) and transfer the funds to the CDBG Code Enforcement budget (921465100237.4381.0001)

The proposed action will also transfer funds from the CDBG Contingency Fund to two projects; the CDBG Contingency Fund currently has \$755,824 available.

1. Transfer \$30,000 from CDBG Contingency (921790000237.5450) to the Brooks Street Swim Center / Brooks and Marshall Street Pool Improvements Project (911501200237.5325) to increase the project budget to \$130,000; and
2. Transfer \$17,500 from CDBG Contingency (921790000237.5450) to the Senior Citizens Kitchen Equipment (921485400237.5704) for the acquisition and installation of a new walk-in cooler/freezer.

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY'S ANALYSIS**

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

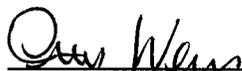
**RECOMMENDATION**

Staff recommends that the City Council appropriate \$355,000 from the FY 2011-2012 Community Development Block Grant (CDBG) Program entitlement grant from the U.S. Department of Housing and Urban Development (HUD) for Code Enforcement activities; approve the transfer of \$30,000 from the CDBG Contingency Fund for improvements to the Brooks Street Swim Center and \$17,500 for a new walk-in freezer at the Country Club Senior Center for the senior nutrition program; and, amend the 2011-2012 Action Plan accordingly.

PREPARED BY:

SUBMITTED BY:

  
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City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

  
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Margery M. Pierce, Director, Neighborhood Services

  
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Teri Ferro, Director, Financial Services

  
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Attachments:

1. HUD FY 2011 funding letter
2. 2011-2012 CDBG Program Budget
3. Budget Detail / Costing Center: Code Enforcement CDBG > 921465100237



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

June 3, 2011

*Valerie*  
*Copy to*  
*CPD*  
*Housing*  
REC'D JUN 13 2011

The Honorable James Wood  
Mayor of Oceanside  
300 North Coast Highway  
Oceanside, CA 92054-2824

RECEIVED

JUN 29 2011

NEIGHBORHOOD SERVICES  
HOUSING DIVISION

Dear Mayor Wood:

I am pleased to inform you of your community's Fiscal Year (FY) 2011 allocations for the Office of Community Planning and Development's (CPD) formula programs, which provide funding for housing, community and economic development activities, and assistance for low- and moderate-income persons and special populations across the country. President Obama signed Public Law 112-10 on April 15, 2011, a Continuing Resolution, which includes FY2011 funding for these programs. Your community's FY2011 available amounts are:

Community Development Block Grant (CDBG)	\$1,639,551
HOME Investment Partnerships (HOME)	\$800,496
Housing Opportunities for Persons with AIDS (HOPWA)	\$ 0
Emergency Shelter Grants (ESG)	\$ 0

The FY2011 Continuing Resolution significantly reduced funding for the CDBG and HOME programs compared to the FY2010 levels. The CDBG overall funding was reduced by more than \$600 million, resulting in allocation reductions of approximately 16.5 percent—reduction percentages may vary by grantee due to the use of updated population estimates and other factors. HOME program funding was reduced by more than \$200 million—approximately 11.7 percent. Grantees that have already submitted their annual Action Plan based on an anticipated amount higher than the FY2011 allocations for these programs must revise their Action Plan consistent with the allocation and applicable amendment requirements. Your local CPD field office is available to provide additional information regarding amendment requirements.

The Department will allocate ESG funds in a two-stage process: (1) \$160 million will be immediately allocated under the existing Emergency Shelter Grants regulations; and (2) \$65 million, at least, will be allocated once the new Emergency Solutions Grant regulations are published for effect. HUD is advising ESG grantees that are developing their 2011 annual Action Plan to assume funding based upon their 2010 allocation and to follow the existing ESG regulations. At the time of the second allocation, ESG grantees will be required to complete a substantial amendment to their Consolidated Plan/Action Plan, as necessary.

**Community Development Block Grant Program  
2011-2012 Budget and Allocation of Funds**

<b>Account</b>	<b>Revenue</b>	<b>Approved 2011-12</b>	
Fund 00237	a. FY 2011-2012 CDBG entitlement grant	\$ 1,639,551	
	b. Other income	\$ -	
	<b>Total Revenue</b>	<b>\$ 1,639,551</b>	
	<b>Expenditures</b>		
	<b>a. CDBG Administration and Planning:</b>	<b>2011-2012</b>	
921477200237	1. Housing Program Development	\$ 170,000	
921477200237	2. Fair Housing Programs	\$ 15,000	
921769000237	3. Grants Administration	\$ 150,000	
921875500237	4. Neighborhood Revitalization Planning	\$ -	
	<b>Total Administration and Planning</b>	<b>\$ 335,000</b>	
	<b>b. CDBG Public Services:</b>		
921634600237	1. Parks & Recreation Teens	\$ 18,600	
921634700237	2. Parks & Recreation 4 Kids Sake	\$ 18,200	
921558300237	3. Angel's Depot Food for a Week	\$ 7,500	
921535000237	4. Brother Benno Foundation	\$ 10,611	
921510000237	5. Boys & Girls Club Gangbusters	\$ 16,731	
921510200237	6. Boys & Girls Club Libby Lake	\$ 9,000	
	7. Senior Fitness	\$ -	
921491400237	8. Interfaith Community Services	\$ 7,500	
921526600237	9. Ivey Ranch Park Association	\$ 7,500	
921490400237	10. North County Health Services	\$ 11,250	
921558500237	11. Senior Citizens Association Senior Nutrition	\$ 25,800	
921559400237	12. Vista Community Clinic Teen REACH	\$ 17,700	
921115300237	13. Community Resource Centers	\$ 93,000	
921549500237	14. North County Lifeline	\$ 7,800	
	15. Camp Fire USA	\$ -	
	16. Neighborhood Clean-up Activities	\$ -	
	<b>Total Public Services</b>	<b>\$ 251,192</b>	
		<i>cap: \$252,000</i>	
	<b>c. Neighborhood Revitalization Programs</b>		
921874500237	1. Community HousingWorks NRSA activities	\$ 25,000	
	<b>d. Housing Rehabilitation</b>		
921476300237	1. Single Family Rehabilitation Loans*	\$ -	
921476300237	2. Mobilehome Rehabilitation Grants	\$ 100,000	
921476300237	3. Program Management and Loan Services	\$ 140,000	
	<b>Total Housing Rehabilitation</b>	<b>\$ 240,000</b>	
	*The City will fund single family housing rehabilitation programs in 2011-2012 with CDBG funds from prior years and program income.		
921465700237	<b>e. Code Enforcement Programs</b>	<b>\$ 355,000</b>	(for action 9/28)
921875300237	<b>f. S.U.N. 2011</b> (funds available from prior years)	\$ -	
921769500237	<b>g. Section 108 Loan Payment: OFD Station 7</b>	<b>\$ 270,161</b>	
921790000237	<b>h. Unallocated funds to Contingency</b>	<b>\$ 163,198</b>	
	<b>CDBG Budget Total</b>	<b>\$ 1,639,551</b>	
	<b>i. Local housing program funds</b>	<b>2011-2012</b>	
	1. Casa de Amparo	\$ 7,500	
	2. Fraternity House	\$ 7,500	
	3. Women's Resource Center Emergency Shelter	\$ 7,500	
	4. YMCA Oz North Coast Shelter	\$ 7,500	
	5. ARS Winter Shelters / Regional Task Force	\$ 35,000	
	<b>Total</b>	<b>\$ 65,000</b>	

Code Enforcement Budget

921465100237	5105		208,673.32	Salaries
921465100237	5205	0001	4,173.47	W/C
921465100237	5205	0002	101907.28	Benefits
921465100237	5600	0015	14,899.28	General Admin Alloc
921465100237	5355		25346.66	Materials & Supplies
			355,000.00	