

STAFF REPORT



ITEM NO. **18**
CITY OF OCEANSIDE

DATE: October 3, 2012

TO: Honorable Mayor and City Councilmembers

From: Neighborhood Services Department

SUBJECT: **APPROVAL TO APPROPRIATE \$140,486 FROM THE FY 2012-2013 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM ENTITLEMENT GRANT FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO THE CDBG CONTINGENCY FUND FOR FY 2012-2013 PROJECTS; APPROVAL TO ALLOCATE CDBG CONTINGENCY FUNDS IN THE AMOUNT OF \$50,000 FOR BROOKS STREET SWIM CENTER IMPROVEMENTS (TERMITES/ROOF), AND APPROVAL TO AMEND THE 2012-2013 ACTION PLAN ACCORDINGLY**

SYNOPSIS

Staff recommends that the City Council appropriate \$140,486 from the FY 2012-2013 Community Development Block Grant (CDBG) Program Entitlement Grant from the U.S. Department of Housing and Urban Development to the CDBG Contingency Fund for FY 2012-2013 projects; approval to allocate funds in the amount of \$50,000 from the CDBG Contingency Fund to the Brooks Street Swim Center Improvements Project (termites/roof), and amend the 2012-2013 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 2012-2013 Action Plan for use of the CDBG funds on March 14, 2012. 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. 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 2012-2013 CDBG Program agreement from HUD in September. The City Council on March 14, 2012, adopted the 2012-2013 CDBG budget based on confirmation from HUD as to the amount of contingency grants funds the City would receive. At the time the CDBG budget was adopted we were not aware of the



immediate needs of the Brooks Street Swim Center. Through this request the percentage limits are still met.

The Brooks Street Swim Center (BSSC) is one of the City's oldest recreational facilities and is currently in need of extermination of termites and a new roof. The approximate cost for this work is \$50,000.

ANALYSIS

The Pool is an eligible activity for CDBG funding as long as CDBG funds are used for the payment of costs associated with property. The City has used CDBG funds in past years for similar projects.

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.

The addition of \$90,486 to the contingency fund will make those funds available for future FY 2012-13 projects. At this time, no other project are identified. At the end of FY 2012-13, any remaining contingency fund monies will be carried forward to the next fiscal year.

FISCAL IMPACT

The proposed action will appropriate \$140,486 additional contingency funds that the City will receive from available balance in HUD CDBG. The funds will be distributed as follows:

Business Unit	Object	Appropriation	Description
921790000237	4381.0001	\$ 90,846.00	HUD Revenue
921790000237	5450	\$ 90,846.00	HUD Expense (contingency)
911501200237	4381.0001	\$ 50,000.00	Brooks Street pool revenue
911501200237	5325	\$ 50,000.00	Brooks Street pool expense (Roof/termite work)

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

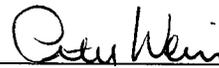
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PREPARED BY:

SUBMITTED BY:



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City Manager

REVIEWED BY:

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Margery Pierce, Director of Neighborhood Services



Teri Ferro, Director, Financial Services

