

STAFF REPORT

DATE: May 18, 2009

TO: Social Services Commission

FROM: Elvia García-Ayala, Community Services Director
Danielle Foster, Housing and Human Services Superintendent
Kathleen Cames, Administrative Analyst II-Grants

SUBJECT: Community Development Block Grant (CDBG)
2009-2010 Funding Amendments and 2008-2009 Recommendations for CDBG
American Recovery and Reinvestment Act (ARRA) Stimulus Funds

Social Services Commission Recommendation

1. Hold a public hearing; and
2. Recommend that the City Council adopt the prepared resolutions authorizing:
 - a) An amendment to the 2008-2009 Community Development Block Grant (CDBG) Action Plan in order to allocate the 2008-2009 CDBG-R stimulus funds, and
 - b) An amendment to the 2009-2010 Community Development Block Grant (CDBG) Action Plan reallocating public service funds; and
3. Recommend that the City Council approve the corresponding budget adjustments for the 2008-2009 CDBG-R funds and the 2009-2010 CDBG entitlement funds.

Summary

City staff was notified May 6, 2009 of the program guidelines and requirements for the use of CDBG-R stimulus funds. In an effort to obtain direction from both the Commission and the City Council on the use of these funds, staff has drafted a single report for both bodies and published a public notice of the dates of both meetings. Staff is processing this direction in a timely manner in order to prepare the necessary documents for a submittal of the plan amendment on or prior to the June 5, 2009 deadline provided by the federal department of Housing and Urban Development (HUD). The City Council will discuss the use of the CDBG-R funds at their meeting on May 19, 2009. Staff will provide a summary of the Commission's action at the City Council meeting during the staff presentation.

STAFF REPORT

DATE: May 19, 2009

TO: City Council

FROM: Elvia García-Ayala, Community Services Director
Danielle Foster, Housing and Human Services Superintendent
Kathleen Cames, Administrative Analyst II-Grants

SUBJECT: Community Development Block Grant (CDBG)
2009-2010 Funding Amendments and 2008-2009 Recommendations for CDBG
American Recovery and Reinvestment Act (ARRA) Stimulus Funds

City Council Recommendation

1. Hold a public hearing; and
2. Adopt the attached resolutions (Attachment 1) authorizing:
 - a) An amendment to the 2008-2009 Community Development Block Grant (CDBG) Action Plan in order to allocate the 2008-2009 CDBG-R stimulus funds, and
 - b) An amendment to the 2009-2010 Community Development Block Grant (CDBG) Action Plan reallocating public service funds; and
3. Approve the corresponding budget adjustments provided as Attachment 2.

Fiscal Impact

The City of Davis received notification from the Department of Housing and Urban Development (HUD) of its entitlement funding award for the upcoming program year, 2009-2010 at the end of April. Rather than the originally estimated \$796,863, the City is receiving \$809,136 in regular CDBG program entitlement funding for the 2009-2010 fiscal year. Twenty percent of the grant funds are used to cover the City's costs of administering the programs, administrative costs of the City's Fair Housing Program, and the administrative costs of the City's share of the Countywide Homeless Coordination contract. The remaining funds are awarded to City ADA Projects and local non-profit organizations that provide critically needed social services and affordable housing opportunities to Davis residents. The public service portion is capped at fifteen percent of the total grant award. With the increase of \$12,273 in entitlement funding and based on the infusion of CDBG stimulus funds, the city is in the unique position to fund public service activities at a higher level than originally discussed at the April 21, 2009 public hearing.

In addition to the entitlement award statement above, the City has been notified of its award of \$216,403 in additional CDBG funding through the American Recovery and Reinvestment Act (ARRA), called CDBG Recovery funds or CDBG-R funds. City staff received direction during the first week of May on how these funds are to be used. The directions from HUD allow for up to 10% of the funding award to be used on administration expenses, 15% of the funding award to be used on public service activities, and the remainder to be used on projects benefiting low and

moderate income households, with focus on physical projects that create or retain jobs and promote sustainability and energy independence.

The breakdown of available funding under the stimulus award is as follows:

Administration	\$21,640	(10% cap)
Public Service	\$32,460	(15% cap)
ADA Projects	\$162,303	
Total	\$216,403	

Council Goal(s)

- **Maintain and improve infrastructure:** CDBG funds are used effectively for removal of architectural barriers to accessibility and thus improve the City's infrastructure. This includes curb cuts and sidewalk replacement to increase accessibility and remove tripping and safety hazards. This also includes improvements for pedestrians at intersections and accessibility and usability improvements in city and public facilities.
- **Achieve long-term financial stability:** CDBG and HOME funding leverages significant funding from other sources. The City is receiving a CDBG stimulus allocation of \$216,403 from the federal ARRA due to its status as a CDBG entitlement community. The ARRA funds also allow the Inclusive Recreation program to receive additional CDBG funding, offsetting costs otherwise borne by the General Fund.

Background and Analysis

The Community Development Block Grant Program (CDBG) is a federally funded grant program administered through the U.S. Department of Housing and Urban Development (HUD). The program is designed to assist local governments in the development and improvement of their community through funding for affordable housing, special economic development, removal of architectural barriers, public facilities and improvements, public services and neighborhood revitalization. While local governments have a great deal of flexibility in the selection of projects, all funded projects must directly benefit low and moderate income residents. A low-income resident is defined as anyone residing in a household with an income of equal to or less than 80 percent of the local area median income and a moderate-income resident is one with an income of equal to or less than 120 percent of the local area median income.

As of the release of this staff report, the City has received notification of its entitlement allocation of \$809,136 and its CDBG-R stimulus award of \$216,403. The City Council has the authority to allocate the funds to any eligible project including projects that are exclusively initiated and managed by the City and those that are managed by local non-profit organizations acting as "subrecipients." The entitlement funds were allocated at the April 21, 2009 meeting of the City Council, prior to notification from HUD on the specific amount of the 2009-10 award. Council provided staff some additional direction for allocation of any increase in the entitlement amount and on the use of the stimulus funding. This report includes a summary of recommendations in two sections, with the 2008-2009 CDBG stimulus funds (CDBG-R) being discussed in the first section and the 2009-2010 CDBG entitlement funds being discussed in the second section.

Consistent with the CDBG/HOME grant funding process, the Social Services Commission is also reviewing these staff recommendations at their May 18, 2009 meeting and will provide the City Council with a recommendation. Staff will provide a summary of the Commission's action at the May 19, 2009 Council meeting.

The review timeline for these funding recommendations is tight due to HUD's submittal requirements and in relation to when the final program guidelines were released. The federal department of Housing and Urban Development is requiring submittal of a 2008-2009 Action Plan amendment by June 5, 2009 for the City to state its intended use of the CDBG-R stimulus funds. Staff has confirmed that these funds will have to be committed and spent quickly in accordance with the Act's requirements and that CDBG-R stimulus funds will require different monitoring and tracking than the City's standard CDBG entitlement funding. Due to the fast-approaching deadlines and the need for ready projects, staff used the existing CDBG applications in reviewing potential uses of the CDBG-R stimulus funding. When considering projects and services for CDBG-R stimulus funding, staff considered whether the entire contract, or a large portion, could be funded from the CDBG-R program funds. With the special source of funds from the stimulus act, there are additional contract requirements, grant goals, and monitoring requirements that must be considered. Staff focused on funding fewer projects in larger amounts to keep administrative costs down to the CDBG-R's ten percent cap.

CDBG application background. Staff reviewed all of the 2009-2010 CDBG proposals, originally received in February 2009, in making recommendations for 2009-2010 CDBG program funding amendments and 2008-2009 CDBG-R stimulus funding awards. The majority of the 2009-2010 program funding awards are not recommended to change, but some public service grants are being recommended for award out of the CDBG-R stimulus funds. For administrative reasons like having a single contract and conducting contract monitoring, as well as programmatic reasons like awarding applications with goals that fit the CDBG-R requirements, public service grants funded out of the CDBG-R stimulus funds would not also be funded out of 2009-2010 CDBG entitlement funds.

The original CDBG grant applicants presented their proposals on March 4, 2009 before the Commission and received written questions from commissioners and staff. The questions and responses were provided with the Social Services Commission's staff report and are available online with the grant applications at the following website: <http://cityofdavis.org/cs/cdbg/0910applications.cfm>. Staff used the information provided in the questions and answers, in addition to the applications, presentations, and the CDBG-R funding requirements in forming the recommendations in this report.

COMMUNITY DEVELOPMENT BLOCK GRANT 2008-2009 STIMULUS FUNDING

The CDBG program is designed to offer a fair degree of local latitude in the use of grant funds. Some localities use the funds to improve public utilities, renovate deteriorated neighborhoods, code enforcement, and commercial rehabilitation. Communities are obligated to provide opportunities for public input into the decision-making process, and can use the funds exclusively for city projects at local discretion.

Davis' CDBG program has historically been a community-based, services-oriented program. All of the applicant organizations have previously received funding. The Applicant Funding History is included with this report (see Attachment 3). As in previous years, the amount of CDBG funds requested this year exceeds the amount available. The total amount available for the 2009-2010 program year is \$809,136, compared to the amount requested of \$970,477. Staff is making recommendations in this section of the report that would offset this difference through the use of the \$216,403 in CDBG-R stimulus funds.

Although the City has a great deal of flexibility in the selection of projects, there are a few important program constraints. For the CDBG-R stimulus funds the federal government limits the amount of funds that can be used for different categories. Administration and planning expenditures by city staff must be limited to no more than 10 percent of the CDBG award. In addition, the city may allocate no more than 15 percent of the CDBG award for "Public Services." Public services include but are not limited to food services, health care, job training, recreation programs, education programs, public safety services, services for senior citizens, services for homeless individuals or those at risk of becoming homeless, drug abuse counseling and treatment, and child or elder care. In the case of the 2008-2009 CDBG-R stimulus funds, this means that approximately \$32,460 can be allocated to Public Services.

Other objectives of the CDBG-R funds include:

- (A) Preserving and creating jobs and promoting economic recovery;
- (B) Assisting those most impacted by the recession;
- (C) Providing investment needed to increase economic efficiency;
- (D) Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- (E) Minimizing or avoiding reductions in essential services; or
- (F) Fostering energy independence.

For each project and service that is funded, the number of full-time and part-time jobs estimated to be created and retained by the activity (including permanent, construction and temporary jobs) must be provided. Additionally, each project and service will be required to provide a description of the activities that will be carried out with CDBG-R funds that promote energy conservation, smart growth, green building technologies, or reduced pollution emissions. CDBG-R funds are expected to be spent and reported on with an even greater level of transparency than standard CDBG entitlement funds.

CDBG-R Staff Recommendations

Using the criterion above, staff has formed the following recommendations for use of the \$216,403 in 2008-2009 CDBG-R stimulus funding.

Project/Service	Amount	Rationale and Other Funding from 2009-2010 CDBG Entitlement Program Funds
City Administration (10% cap)	\$21,640	City administrative funds are also provided in the entitlement funding for 2009-2010. This additional funding will provide staff hours for the increased workload including tracking of funds and project monitoring to accomplish required transparency.
Public Facilities- Curb Cuts and Sidewalk Improvements for ADA Compliance	\$162,303	This project is also receiving \$310,000 in 2009-2010 CDBG Program Funds. Funding this project with CDBG-R funds meets program goals and requirements, and ensures that CDBG-R funds could be spent quickly.
Public Service- Inclusive Recreation	\$11,730	Inclusive Recreation requested \$12,000 in its CDBG application, but would only be awarded approximately \$8,000 from 2009-2010 Program Funds without the stimulus funding.
Public Service- Yolo Community Care Continuum (YCCC)	\$14,730	YCCC requested \$15,000 in its CDBG application, but would only be awarded approximately \$7,000 from 2009-2010 Program Funds without the stimulus funding.
Public Service- Para-transit Mobility Training for Seniors	\$6,000	This program was funded from 2008-2009 CDBG Program Funds as an ADA project, but with recent submittal of the project scope it was determined to only be eligible under the public service category. This project might not be funded without stimulus funding, or would require a change of scope.
Public Service Total (15% cap)	\$32,460	These public service funds are in addition to the 2009-2010 CDBG Entitlement Program Funds.
CDBG-R Stimulus Funding Grand Total	\$216,403	

Administration recommendation. Staff is recommending full utilization of the permitted 10% of funding for administration expenses. While staff will also receive administrative funds from the 2009-2010 CDBG entitlement funding, utilizing the stimulus administrative funds is necessary. Using these funds is necessary due to the additional level of tracking and transparency that is expected with expenditures of stimulus funding. There is an expectation that additional information, project indicators, and project outcomes will be collected and posted online locally as well as submitted to the federal government to show proper and productive use of the CDBG-R stimulus funding. To accomplish these goals, staff recommends full utilization of the permitted administrative funding. Use of these funds will offset staffing expenses to other funding sources.

Public facilities. Staff is recommending that all of the public facilities/project funding be awarded to the city's efforts in improving accessibility and removing physical barriers related to curb cuts and pathways, with priority on walkways to public transportation (bus lines and rail) and streets with high pedestrian traffic. While this project is receiving funding from 08-09 CDBG funds and 09-10 CDBG funds, there are numerous areas within the city that require these improvements and could fully utilize these funds. Public improvements for accessibility both serve low and moderate income individuals within the community and advance the City's ongoing efforts in compliance with the federal ADA mandates of providing accessibility in public facilities, including sidewalks, public right of way and path of travel. . Using CDBG funds for this purpose offsets the need for other funding to comply with these ADA and Title 24 requirements. This project has a prepared bid package, only requiring Council approval for issuance, making the project one of the city's most "shovel-ready projects" for the use of these funds.

In addition to a demonstrated need for these improvements and readiness of the project, this project can work towards meeting goals of the CDBG-R funding in the following areas:

- **Job creation/retention.** Bidding out this project leads to the creation and retention of construction jobs within the local community, as well as providing additional revenue to companies for the ongoing employment of support staff to process such contracts. Conservatively, staff estimates that this will provide work for 3-4 individuals due to the need for an additional construction crew (comprised of 3-4 workers) to complete the necessary improvements.
- **Assisting those most affected by the recession.** The construction community has been hit hard by the recession and the decrease in construction activity, particularly residential construction. This award of funds would provide work for some in this sector.
- **Investing in transportation and infrastructure.** This award would invest in local walkways and intersection crossings, promoting alternative transportation through either walking, using wheelchairs or other assistance, as well as making buslines and the rail station more accessible to persons with disabilities, families with strollers, and the community overall.

Staff believes that use of CDBG-R funds for this project meets project criterion, promotes pedestrian transportation, reduces the need for other funding sources, and allows opportunity for the funds to be spent quickly in order to comply with the federal government timelines.

Public service. Staff is recommending funding for the city's Alternative Recreation Program, the Yolo Community Care Continuum housing services program, and the Paratransit Mobility Training Program from the CDBG-R public service funds. These services were identified primarily for the following reasons: (1) their ability to spend the funds quickly and (2) their link to job creation and retention with the use of the funds. While the Paratransit Mobility Training does not necessarily link directly to job creation, it does lead to increased demand in public transportation services that require adequate staffing and it demonstrates a clear goal of promoting public transportation and reducing local usage of personal vehicles. The qualities of each project and how it complies with CDBG-R funding requirements is discussed further in the following paragraphs.

Public Service Recommendation:

Service	Amount Requested	Amount Recommended from CDBG-R
Public Service- Inclusive Recreation	\$12,000	\$11,730
Public Service- Yolo Community Care Continuum (YCCC)	\$15,000	\$14,730
Public Service- Para-transit Mobility Training for Seniors	\$6,000 (awarded in 08-09 program year)	\$6,000
Public Service Total (15% cap)		\$32,460

Inclusive Recreation. This program is being recommended for funding out of the CDBG-R funds due to its direct link to job creation and retention, as well is its ability to meet the timeliness criteria since most of these funds would be expended during the seasonal summer recreation period. Additionally, funds not provided through CDBG to this program are required to be paid from the General Fund. This service also meets the following CDBG-R criterion:

- **Job creation/retention.** Bidding out this project leads to the creation and retention of program assistant jobs that ensure the ability for local children, youth, and adults to participate in city recreation programs. Funding this service will provide resources for one full time seasonal employee or two part-time employees, during the summer recreation season and other times in the 2009-2010 fiscal year.
- **Assisting those most affected by the recession.** Persons with physical and mental disabilities are typically in low and moderate income households. The economic stress of the economy is compounded for these households. Additionally, other services to persons with disabilities have been cut through the state budget process and ongoing need for services is great.
- **Minimizing or avoiding reduction in essential services.** Without this increase in funding, requests for assistants might be paid for through General Fund monies or may be otherwise reduced or minimized due to existing General Fund constraints. One potential way to minimize funding would be through “doubling up or tripling up” of assistants. This funding allows continued services, at an ongoing quality level that includes one on one assistance.

Yolo Community Care Continuum (YCCC). This program is directly linked to a staff position in YCCC, which is atypical of public service grants. The direct linkage between the position and the funding request would assist in monitoring to ensure compliance with federal mandates and reporting on this grant. This service also meets the following CDBG-R criterion:

- **Job creation/retention.** This grant maintains the housing services provided by YCCC in its transitional housing and group homes. This grant funds a specific position within YCCC, a position that provides essential services in the agency’s supporting housing program, is facing other funding cuts and is at risk of being reduced greatly. Funding this grant ensures ongoing housing services through YCCC’s housing position.
- **Assisting those most affected by the recession.** As stated above, persons with mental disabilities have been impacted greatly by budget reductions on a statewide and

countywide basis. Providing these funds helps to provide assistance to YCCC to help offset other funding reductions. Additionally, programs that supplement income for persons with mental disabilities have either maintained payout amounts or reduced them, despite ongoing cost of living increases.

- **Minimizing or avoiding reduction in essential services.** Without the necessary funding for the housing position at YCCC, there would likely be a reduction in supportive services for YCCC clients living in transitional housing and group homes. Projects like Homestead would not receive its current level of supportive services. It is essential that residents receive regular case management and support in order to ensure their ongoing success in YCCC housing programs.

Para-transit Mobility Training. This public service program was originally awarded as an ADA Project in the 2008-2009 program year. While this grant has been identified as a high priority by the Social Services Commission, Senior Commission, and Council, its current scope qualifies it as a public service and not an ADA facilities project. Use of the CDBG-R funds for this grant allows the city to fulfill its commitment to this project. This service also meets the following CDBG-R criterion:

- **Job creation/retention.** While this service may not directly create or retain jobs for people carrying out this broader mobility training in the Sacramento-Yolo area, it does promote ridership of public transportation and would support the ongoing need for employees to maintain the public transportation infrastructure.
- **Assisting those most affected by the recession.** This mobility training provides the greatest focus and assistance to seniors and persons with disabilities. These groups are typically comprised of low and moderate income households that have been hit hard by the recession and are in need of cost-saving opportunities. Improved use of public transportation could reduce their transportation costs if individuals served no longer rely on personal vehicles and the associated expenses of gasoline.
- **Investing in transportation and infrastructure.** This award would invest in the improved use of public transportation. The mobility training grant has the goal of informing likely users of the local options related to public transportation so that they can better utilize them.

While the projects listed above are being recommended for CDBG-R funds due to their compliance with the stimulus fund requirements, moving these grants into this funding stream benefits all of the CDBG Public Service awards for the 2009-2010 funding year by decreasing the number of grantees to be funded from the upcoming year's entitlement allocation funds. The following section shows the final award amounts and recommended funding amendments to the 2009-2010 CDBG Entitlement Funds based on the final funding award and the recommended use of the CDBG-R stimulus funds.

COMMUNITY DEVELOPMENT BLOCK GRANT AMENDMENT TO 2009-2010 FUNDING

2009-2010 CDBG Program Year Staff Recommendations

The non-public service CDBG awards within the 2009-2010 CDBG Program Year are not recommended to change from City Council direction on April 21, 2009. Final award amounts, based on the final CDBG allocation and staff recommendations regarding public service grants, are included in Attachment 1B of this staff report, with the corresponding Council resolution.

Public Services Funding Amendments

Twelve organizations submitted 13 proposals under the CDBG category of Public Services, totaling \$183,350. After receiving notice of the final allocation amount at the end of April, \$121,370 is the maximum available in the public services category. In consultation with the Social Services Commission, the City Council approved a Critical Needs list for the CDBG and HOME programs for 2009-2010. For Public Services, this list includes priorities related to both Basic Human Needs and Prevention Services. Similar to last year, the Commission and staff identified basic human services and direct services as the highest priority. Specifically, direct services in the categories of hunger prevention services, health care, homeless services, and programs to support independent living and prevent institutionalization, were identified as critical areas of need. Other indirect services were identified as important, but the Commission added a statement that "critical needs will be ranked according to the immediacy of need, with direct services getting the highest priority." With this list in mind, staff reviewed applications and formed recommendations, and the Commission did the same after reviewing the applications, hearing from the applicants, submitting questions, receiving applicant responses, and obtaining staff recommendations. These recommendations were heard at the April 21, 2009 City Council meeting and resulted in the following award amounts:

Summary of City Council Action (April 21, 2009) - CDBG Public Services

ORGANIZATION	REQUEST	COUNCIL DECISION
Citizens Who Care-Respite and Time Off	15,000	5,529
Communicare Health Center	23,000	21,000
Davis Community Meals-CWS	14,000	10,000
Davis Community Meals-SRC	20,000	15,000
Food Bank of Yolo County	8,000	8,000
City Inclusive Recreation	12,000	8,000
People Resources-Elderly Nutrition	10,000	10,000
Sexual Assault & Domestic Violence Center	11,433	9,000
S.T.E.A.C.	15,000	14,000
Yolo Adult Day Health Center	6,000	6,000
Yolo Community Care Continuum- PS	15,000	7,000

ORGANIZATION	REQUEST	COUNCIL DECISION
Yolo County Homeless Coordination-CWS	10,000	0, funded through administrative funds
Yolo Family Service Agency	23,888	6,000
Total Public Service	183,350	119,529

With the final CDBG award amount being higher and providing for up to \$121,370, rather than \$119,529, to be used for public service, the allocations were increased proportionately based on Council’s direction on April 21, 2009 and they adhered to the cap limitation based on the grant amount requested as Council had directed. This calculation is shown as Step 1 in the table below. With the removal of the Inclusive Recreation and Yolo Community Care Continuum applications from the standard CDBG entitlement funds and instead awarding them through CDBG-R stimulus funds, the CDBG awards below were increased equally to provide an increase of \$1,532 to all CDBG applicants as an equal benefit to all as a result of the unexpected stimulus funding. This calculation is shown as Step 2 in the table below. The amounts resulting from Step 2 are staff’s recommendation to Council.

Summary of Staff Recommendation with Actual CDBG Entitlement Award (Step 1) and Removal of Applications Funded with CDBG-R Funds (Step 2) - CDBG Public Service

ORGANIZATION	REQUEST	Step 1: Regular Allocation with Proportionality and Funding Cap	STAFF RECOMMENDATION Step 2: Equal Disbursement of \$15,320 in Additional Funding Available due to Stimulus Funding
Citizens Who Care-Respite and Time Off	15,000	5,663	7,195
Communicare Health Center	23,000	21,354	22,886
Davis Community Meals-CWS	14,000	10,188	11,720
Davis Community Meals-SRC	20,000	15,262	16,794
Food Bank of Yolo County	8,000	8,000	9,532
City Inclusive Recreation	12,000	8,169	0, funded through CDBG-R stimulus funds
People Resources-Elderly Nutrition	10,000	10,000	11,532
Sexual Assault & Domestic Violence Center	11,433	9,188	10,720
S.T.E.A.C.	15,000	14,262	15,794
Yolo Adult Day Health Center	6,000	6,000	7,532
Yolo Community Care	15,000	7,151	0, funded through

ORGANIZATION	REQUEST	STAFF RECOMMENDATION	
		Step 1: Regular Allocation with Proportionality and Funding Cap	Step 2: Equal Disbursement of \$15,320 in Additional Funding Available due to Stimulus Funding
Continuum- PS			CDBG-R stimulus funds
Yolo County Homeless Coordination-CWS	10,000	0, funded through administrative funds	0, funded through administrative funds
Yolo Family Service Agency	23,888	6,133	7,665
Total Public Service	183,350	121,370	121,370

Methodology for public service award amendments. The table above reflects staff recommendation regarding the usage of 2009-2010 CDBG entitlement funding as a result of how staff recommends CDBG-R funds to be used. Staff is not recommending a change in the original action taken by Council on April 21, 2009 related to proportionality of the awards, due to the process that led to that decision. There is not adequate time to conduct an additional process based on the influx of CDBG stimulus funding, so staff continues to support the proportionality that was already adopted by the City Council as the first calculation step. In Step 2 of the calculation, staff supports an equal increase for all grantees based on the stimulus funding that can assist Inclusive Recreation and YCCC, removing them from the entitlement allocations and making \$15,320 available for reallocation. Staff did try to calculate disbursement of these funds through the proportionality calculations, but those percentages became more diluted as many programs reached their funding cap and fair distribution of funds became too difficult. Staff also determined that equal distribution of available funds was the most equitable way to distribute the funding, since original applications were submitted without the expectation that these funds would become available.

Step 2 of the table above reflects a \$1,532 increase in funding for all public service projects recommended for funding, regardless of their original request amount. While staff recognizes Council direction not to exceed funding requests in standard CDBG award years and adhered to that in the first step of calculation, with the increase in CDBG entitlement funds, staff believes that the additional funding yielded as a result of the stimulus funds is an exception that should not be required to adhere to funding caps. With the CDBG stimulus funding award, the City was provided an increase in funds that is not typically seen by this program. For this reason, the increase of \$15,320 in available funding was divided equally amongst the 10 remaining public service programs. Every year staff encourages CDBG applicants to minimize requests based on what the organization absolutely needs. Staff would like to reward and encourage responsible requests this year and in future funding rounds and believes that capping awards that would otherwise increase based on the stimulus funding directs applicants to inflate future requests for funding. Public service programs are facing other cuts, a substantial increase in demand, and reduction in donations due to the economy, and all would benefit from a larger grant.

The projects staff removed from 2009-2010 CDBG entitlement funding and placed in the 2008-2009 CDBG-R stimulus funding recommendations were based on the criterion for that program.

The projects funded in the recommendation above were not chosen for the CDBG-R funding due to their inability to meet program criteria to the same extent that the selected applicants could comply. Additionally, staff focused on minimizing the number of projects to receive funding from the CDBG-R monies due to the high expectations of that program related to contract management, tracking, and reporting measures. Placing projects in one type of funding source also eliminates the need for twice the contracts, reporting documents, sorting of reporting data and overall grant administration.

All of the recommended projects address critical needs including food, shelter, primary health care and mental health services. Staff supports continuance of Council's proportionate awards of public services funds from their April 21, 2009 decision, with primary focus on awards that provide for the basic human needs of food, shelter, health and mental health services and remaining funding be provided for services that prevent or defer institutionalization of disabled persons or frail older adults. And with the proportionality is recommending an increase of \$1,532 for each public service program, as a consistent benefit to all programs as a result of stimulus funding.

Conclusion

Based on City Council direction, staff will prepare the 2008-2009 Action Plan Amendment to incorporate use of the CDBG-R stimulus funds and will also complete preparations of the 2009-2010 Action Plan for the city's CDBG entitlement funds. Once completed, staff will submit these plans to HUD for review and approval on or before the June 5, 2009 deadline. CDBG-R funds should be available for disbursement in either late June or early July and CDBG 2009-2010 funds should be available shortly thereafter.

Attachments:

1. Resolution Adopting Action Plan Amendments for 2009-2010 CDBG Program Funds and Resolution Adopting Action Plan Amendment for use of 2008-2009 CDBG-R Stimulus Funds
2. Budget Adjustments for 2009-2010 CDBG Program Year and 2008-2009 CDBG-R Stimulus Funds
3. Applicant Funding History

RESOLUTION NO. 08-XXX, SERIES 2009

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS AUTHORIZING AN AMENDMENT TO THE ACTION PLAN FOR THE 2008-2009 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM YEAR IN ORDER TO ALLOCATE \$216,403 IN CDBG-R STIMULUS FUNDS FROM THE 2009 AMERICAN RECOVERY AND REINVESTMENT ACT

WHEREAS, the City of Davis is an entitlement community for Community Development Block Grant (CDBG) funds; and

WHEREAS, the City of Davis is receiving \$216,403 in CDBG-R stimulus funds as a result of the American Recovery and Reinvestment Act (ARRA) adopted in February 2009 and due to its status as a CDBG entitlement community; and

WHEREAS, HUD released guidelines and requirements for the CDBG-R stimulus funds the beginning of May 2009 and requires a written action plan amendment no later than June 5, 2009;

WHEREAS, the City of Davis has held two public meetings, including a discussion at the Social Services Commission and a public hearing at the City Council, and has also provided information online, in city offices, and in public locations to allow for public input regarding the use of these CDBG-R funds; and

WHEREAS, the City of Davis collected applications for CDBG funds through its standard allocation process and used those applications as a basis for CDBG-R funding awards; and

WHEREAS, the City of Davis considered local critical needs and program goals for job creation and retention, transportation and infrastructure investment, addressing needs of locally impacted groups, and energy efficiency and independence in the determining awards under the CDBG-R stimulus funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Davis that the 2008-2009 CDBG-R Stimulus Funds from the ARRA shall be awarded and spent on the projects and services shown in Exhibit A of this resolution.

LET IT BE FURTHER RESOLVED by the City Council of the City of Davis that staff is directed and the City Manager is authorized to complete the necessary paperwork to execute an Action Plan Amendment that incorporates the funding awards of Exhibit A and carries out the stated use of each award.

PASSED AND ADOPTED by the City Council of the City of Davis on this nineteenth day of May 2009 by the following votes:

AYES:

NOES:

ABSENT:

RUTH UY ASMUNDSON, PhD
Mayor

ATTEST:

ZOE S. MIRABILE, MMC
City Clerk

Attachment:
Exhibit A- 2008-2009 CDBG-R Stimulus Funding Award Summary

2008-2009 CDBG-R STIMULUS FUNDING AWARD SUMMARY

GRANTEE		AWARD
<i>ADMINISTRATION</i>		
CITY ADMINISTRATION		21,640
TOTAL ADMIN		21,640
<i>PUBLIC FACILITIES</i>		
ADA PARKING/FACILITY COMPLIANCE--Curb Cuts		162,303
TOTAL PUBLIC FACILITIES/ADA		162,303
<i>PUBLIC SERVICE</i>		
INCLUSIVE RECREATION		11,730
YOLO COMMUNITY CARE CONTINUUM		14,730
PARATRANSIT MOBILITY TRAINING		6,000
TOTAL PUBLIC SERVICE		32,460
TOTAL		216,403

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS AUTHORIZING
AN AMENDMENT TO THE ACTION PLAN FOR THE 2009-2010 COMMUNITY
DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM YEAR**

WHEREAS, the City of Davis is an entitlement community for Community Development Block Grant (CDBG) funds; and

WHEREAS, the City of Davis conducted a public process that concluded with a public hearing and City Council award of 2009-2010 CDBG Program Year funds on April 21, 2009, prior to the City receiving information regarding the use of CDBG-R Stimulus Funds; and

WHEREAS, the City of Davis has identified opportunities to more fully fund some CDBG applications with CDBG-R Stimulus Funds due to their adherence to CDBG-R criterion related to program goals for job creation and retention, transportation and infrastructure investment, addressing needs of locally impacted groups, and energy efficiency and independence, as well as the timely use of funds; and

WHEREAS, the City of Davis now has additional public service funds available and aims to assist local public services organizations these CDBG funds, particularly given the current economy and the increase in demand for such services needed by low and moderate income households within the community.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Davis that the 2009-2010 CDBG Program Funds shall be awarded and spent on the projects and services shown in Exhibit A of this resolution.

LET IT BE FURTHER RESOLVED by the City Council of the City of Davis that staff is directed and the City Manager is authorized to complete the necessary paperwork to execute an Action Plan that incorporates the funding awards of Exhibit A and carries out the stated use of each award.

PASSED AND ADOPTED by the City Council of the City of Davis on this nineteenth day of May 2009 by the following votes:

AYES:

NOES:

ABSENT:

RUTH UY ASMUNDSON, PhD
Mayor

ATTEST:

ZOE S. MIRABILE, MMC
City Clerk

Attachment:

Exhibit A- 2008-2009 CDBG-R Stimulus Funding Award Summary

2009-2010 CDBG PROGRAM YEAR FUNDING AWARD SUMMARY

GRANTEE	A W A R D
ADMINISTRATION	
CITY ADMINISTRATION	106,798
FAIR HOUSING- ADMINISTRATION	35,000
HOMELESS COORDINATION	20,029
TOTAL ADMIN	161,827
PUBLIC FACILITIES	
1818 Fifth Street ADA Modifications	50,000
ADA Parking /Facility Compliance- Curb Cuts	310,000
Facilities ADA Assessment & Improvements	161,653
<i>ADA Self-Eval/Transition Plan-Consultant</i>	<i>20,000</i>
<i>ADA Self-Eval/Transition Plan- (HR)</i>	<i>40,000</i>
<i>Citywide ADA Improvements/Priority Projects</i>	<i>101,653</i>
Accessible Space-Becerra ADA Pathway	3,714
Yolo Community Care Continuum- M St Roof	24,992 (24,420 in 07-08 funds)
TOTAL PUBLIC FACILITIES/ADA	550,359
PUBLIC SERVICE	
CITIZENS WHO CARE	7,195
COMMUNICARE HEALTH	22,886
DAVIS COMMUNITY MEALS-CWS	11,720
DAVIS COMMUNITY MEALS-SRC	16,794
FOOD BANK	9,532
INCLUSIVE RECREATION	0
PEOPLE RESOURCES	11,532
SEXUAL ASSAULT	10,720
STEAC	15,794
YOLO ADULT DAY HEALTH	7,532
YOLO COMMUNITY CARE CONTINUUM	0
YOLO FAMILY SERVICE AGENCY	7,665
TOTAL PUBLIC SERVICE	121,370
TOTAL 09/10 AWARD	\$809,136
TOTAL 09/10 BUDGET	\$833,556*

*Total budget utilizes an additional \$24,420 in 07-08 funding savings.

BUDGET ADJUSTMENT FOR 2008-2009 CDBG-R STIMULUS FUNDS

TO: City Manager
 VIA: Budget Analyst

FROM: Elvia Garcia-Ayala Dept Head _____
 Signature and Date

I request the following budget adjustments:

A. Internal Transfers of Currently Appropriated Funds:

TRANSFERS FROM PROGRAM NAME	FUND NO.	DIV/ PROG.	ACTIVITY	ELEMENT/ OBJECT	AMOUNT (CR)	HOURS
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
TOTAL					\$0	

B. New Appropriation's Source of funding/Revised Revenue Change:

Unallocated Reserve	_____	Fund Name	_____	Fund No.	_____	
Unallocated Reserve	_____	Fund Name	_____	Fund No.	\$ _____	
New/Revised Revenue (321-Assign)		CDBG-ARRA	_____	217	216,403	
Circle One	Activity Elem Obj	Fund Name	_____	Fund No.	_____	
					216,403	

C. Allocation of Internal Transfers and/or New Appropriations:

TRANSFERS TO PROGRAM NAME	FUND NO.	DIV/ PROG.	ACTIVITY	ELEMENT/ OBJECT	AMOUNT (DR)	HOURS
Curb Cuts	217	8126	470	8541	162,303	
Inclusive Recreation	217	4835	470	8520	11,730	
Yolo Community Care Continuum	217	4835	470	8513	14,730	
Mobility Training	217	4835	470	Assign	6,000	
CDBG-R Administration	217	4830	470	4550	21,640	
TOTAL					\$216,403	

D: Reason For Adjustment (Explain fully. Attach sheet if necessary. If new revenue, record a description on reverse side on Part VI.)

SEE ATTACHED STAFF REPORT.

FINANCE DIRECTOR

A. ___ Funds have been appropriated & are available.

B. ___ Funds have been appropriated.

___ Funds must be appropriated.

Comments:

 Signature and Date

CITY MANAGER

A. ___ Approved
 ___ Disapproved

B. ___ City Council appropriated funds.

___ City Council informed of revised revenue estimate.

Comments:

 Signature and Date

BUDGET ADJUSTMENT FOR 2009-2010 CDBG PROGRAM YEAR FUNDS

TO: City Manager
 VIA: Budget Analyst

FROM: Dept Head _____
 Signature and Date

I request the following budget adjustments:

A. Internal Transfers of Currently Appropriated Funds:

TRANSFERS FROM PROGRAM NAME	FUND NO.	DIV/ PROG.	ACTIVITY	ELEMENT/ OBJECT	AMOUNT (CR)	HOURS
CDBG-Admin	215	48-40	470	45-50	635,036	
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
TOTAL					\$635,036	

B. New Appropriation's Source of funding/Revised Revenue Change:

Unallocated Reserve	_____	Fund Name	_____	Fund No.	_____	
Unallocated Reserve	_____	CDBG	_____	215	24,420	
New/Revised Revenue (321_30-00)	_____	Fund Name	_____	Fund No.	_____	
Circle One	Activity Elem Obj	CDBG	_____	215	12,273	
					36,693	

C. Allocation of Internal Transfers and/or New Appropriations:

TRANSFERS TO PROGRAM NAME	FUND NO.	DIV/ PROG.	ACTIVITY	ELEMENT/ OBJECT	AMOUNT (DR)	HOURS
CDBG - Public Service	215	48-45	470	*See List	121,370	
CDBG-Pub Fac-ADA	215	48-42	470	*See List	521,653	
CDBG-Pub Fac-Becerra	215	48-42	470	Assign	3,714	
CDBG-Pub Fac-YCCC M Street	215	48-44	470	8513	24,992	
TOTAL					\$671,729	

D: Reason For Adjustment (Explain fully. Attach sheet if necessary. If new revenue, record a description on reverse side on Part VI.)
 SEE ATTACHED STAFF REPORT

FINANCE DIRECTOR

A. ___ Funds have been appropriated & are available.

B. ___ Funds have been appropriated.

___ Funds must be appropriated.

Comments:

 Signature and Date

CITY MANAGER

A. ___ Approved
 ___ Disapproved

B. ___ City Council appropriated funds.

___ City Council informed of revised revenue estimate.

Comments:

 Signature and Date

2009-2010 CDBG APPLICANT FUNDING HISTORY - PUBLIC SERVICE

PUBLIC SERVICE	REQ 09-10	# GRANTS	TO DATE	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01	99-00	98-99	97-98	96-97	95-96	94-95
CWC-In-Home Respite	15,000	20	145,480	5,417	4,822	6,136	8,917	8,823	9,847	6,371	8,158	7,600	3,930	6,286	6,429	5,960	6,967	5,610
CWC-Timeoff	0	16	87,791	0	4,821	5,000	8,000	9,071	8,747	5,031	7,015	6,900	4,500	4,000	4,731	5,495	5,458	5,022
CommuniCare	23,000	*22	358,329	21,000	19,301	18,831	19,000	20,186	19,757	19,643	18,500	20,000	16,280	19,429	19,500	18,270	18,070	16,365
DCM-Cold Weather Sh	14,000	*3	29,297	10,583	10,714	8,000	0	0	0	0	0	0	0	0	0	0	0	0
DCM-Shelter/Resource	20,000	*18	258,855	15,167	14,143	14,000	16,000	18,480	23,757	15,429	22,000	13,400	10,470	16,414	13,643	13,106	14,017	13,712
Food Bank	8,000	18	144,024	8,000	7,857	9,433	10,167	12,000	11,757	12,000	8,035	7,200	5,615	5,714	9,643	7,390	7,370	1,977
Inclusive Recreation	12,000	17	160,442	7,583	8,757	9,200	11,044	12,980	13,466	13,762	8,000	8,000	8,895	6,136	7,214	9,450	10,167	7,516
People Resources	10,000	17	155,865	8,000	8,000	7,182	12,167	15,000	14,757	12,000	10,750	10,300	7,570	7,714	8,429	8,350	9,667	8,011
Sexual Assault	11,433	16	201,053	8,500	8,143	8,480	8,167	9,340	0	8,300	8,026	8,100	16,571	17,631	12,165	17,667	15,387	13,000
STEAC	15,000	*16	170,618	13,583	12,714	9,500	13,165	15,000	8,100	11,580	10,675	10,500	10,250	10,982	10,429	9,500	8,917	8,723
Yolo Adult Day Health	6,000	*21	104,459	5,000	3,858	4,500	4,917	5,500	16,571	5,707	4,000	4,900	3,100	0	5,857	4,200	3,667	4,880
Yolo Community Care	15,000	*22	199,065	6,667	6,861	5,800	7,917	10,000	8,757	6,386	8,250	8,000	6,430	6,343	6,410	5,350	6,000	6,072
YC Homeless Coord	10,000	*3	28,758	10,029	10,029	8,700	0	0	0	0	0	0	0	0	0	0	0	0
Yolo Family Service	23,917	*19	155,854	0	0	5,800	11,917	11,820	13,054	5,429	8,675	9,800	7,700	7,714	7,690	10,560	8,500	6,324
Total Public Service			183,350															

*Organization has received CDBG funding under other categories in addition to Public Service (See History Chart displayed below)

2009-2010 CDBG APPLICANT FUNDING HISTORY - NON-PUBLIC SERVICE

OTHER	REQ 09-10	# GRANTS	TO DATE	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01	99-00	98-99	97-98	96-97	95-96	94-95
CommuniCare	0	5	415,500													150,000	188,500	77,000
DCM-CWS	0	2	14,146		4,536	9,610												
DCM-SRC	0	1	30,000															30,000
YCCC	0	6	428,761		55,000	11,400			200,000	100,000	50,000			12,361				
Yolo Adult Day Health	0	1	24,712								24,712							
YC Homeless Coord	10,000	18	338,861	10,000	10,000	10,000	29,966	28,539	27,180	25,886	22,599	21,523	20,498	19,521	18,595	17,717	16,864	16,061
Yolo Family Service	0	1	67,305											\$67,305				