



City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: September 16, 2008

SUBJECT: Receive Community Development Block Grant Consolidated Annual Performance and Evaluation Report (CAPER); and Annual Action Plan Amendments

Report in Brief

By September 30th of each year, the City's Community Development Block Grant Program (CDBG) is required to submit the Consolidated Annual Performance and Evaluation Report (CAPER) to the U.S. Department of Housing and Urban Development (HUD). The CAPER is a mandated report for all CDBG entitlement communities and summarizes the City of Woodland's progress towards meeting its community development needs and objectives in one program year.

Staff recommends that the City Council receive and review the 2007-2008 CAPER and Action Plan Amendments for FY 08-09, FY 07-08, and FY 04-05 regarding administrative reallocation of funds and a program description change. Staff will coordinate the administrative reallocation of funds with HUD and the City's Finance Department.

Background

The City's community needs and objectives for the period of 2005-2010 are outlined in its Consolidated Plan. The Consolidated Plan is an additional document required by HUD, which coordinates all elements of community development, housing, neighborhood development, and economic development planning into a single plan and vision of activities and strategies to be undertaken during a three to five year time period. The programs and activities budgeted each year to meet these community development goals are outlined in the City's Annual Action Plan for the CDBG program, as approved by the City Council each spring. The CAPER is completed each fall as a financial summary and a narrative of the accomplishments for the prior CDBG fiscal year's Annual Action Plan.

The contents of the CAPER are summarized below:

- *Summary of Resources:*
The CAPER contains a summary of the financial resources that the City has at its disposal to address identified community needs and objectives. CDBG, Supportive Housing Program, Redevelopment Housing Set-Aside, and other housing grant funds and programs are all among the sources utilized by the City to accomplish the stated goals of the Consolidated Plan.
- *Narrative Assessment of Strategic Plan Goals and Objectives:*
A thorough assessment of the City's effort to address its community development needs and objectives is provided in the CAPER, with particular focus given to the areas of affordable housing, fair housing, and homeless services. One purpose of the CAPER is to allow jurisdictions the opportunity to self-evaluate the effectiveness of policies, programs, and activities utilized to achieve Consolidated Plan goals.
- *Program Activity Financial Summary Reports:*
HUD requires that certain program activity and financial summary reports be submitted with the CAPER. These reports outline the City's expenditures and accomplishments for individual projects and programs, allowing HUD to compile and maintain necessary data regarding its grant programs.

Overall, the 2007-2008 CAPER emphasize that the City of Woodland was successful during the past fiscal year in continuing to implement the objectives of its Consolidated Plan. Some highlights of the program year include three housing rehabilitation loans to low-income homeowners, totaling \$119,923; three homebuyer assistance loans to low-income families buying homes in the Spring Lake area, totaling \$104,700; and \$111,886 expended on public service operations in the community, such as food banks, shelters, and counseling services. In addition, a goal of the Consolidated Plan is to "support public facilities improvements for public service agencies and residential facilities for homeless and special needs populations." In 2007-2008 the following facility improvements to public service and residential facilities were completed:

- Sexual Assault & Domestic Violence Center: Historic Maxwell School ADA Restrooms
- St. John Retirement Village: Breezeway
- Woodland Youth Services: Toilets for Teens
- Summer House: HVAC Project

As a result of the 2007 CDBG Audit, CDBG staff has worked to improve administration of the CDBG Program. On-site monitoring of the program's subrecipients is being scheduled and completed regularly. Eight subrecipients were monitored in 2008 and two more monitoring visits have been scheduled for the coming months. Prior to FY 2008 the last on-site monitoring of CDBG subrecipients occurred in FY 2004. CDBG and Finance Department staff have worked together to implement new processes that improve administration and financial tracking of the program and reconciled the City's Financial Accounting System (Pentamotion) with the Federal Integrated

Disbursement and Information System (IDIS), the management information system used by CDBG. Consequently, 42 open activities in IDIS were closed. Finally, all the Housing Rehabilitation Loans were monitored. The monitoring effort resulted in the payoff of five housing rehabilitation loans totaling \$43,400. These funds are returned to the City for use on new CDBG eligible projects.

A very important concept in administering CDBG activities is planning for the timely expenditure of funds. The entitlement program rule for timeliness is that the grantee cannot have more than 1.5 times their annual allocation sitting in their line of credit at the U.S. Treasury. Over the last three program years the City of Woodland's timeliness has improved. In FY 05-06 the City's timeliness was 1.58, in FY 06-07 it was 1.38 and for FY 07-08 our timeliness ratio is 1.35. It is expected that once the Chicano Studies Art and Culture Center (TANA), which currently has \$342,875 in CDBG funds is completed, the City's timeliness will significantly improve.

Discussion

There are two budgeting adjustments that need to be made to the 2008-2009 and 2007-2008 Annual Action Plans. CDBG regulations require a jurisdiction to hold a Public Hearing and adopt an amendment to its annual CDBG Action Plan if an activity's budget is increased or reduced by more than 25% of the jurisdiction's annual CDBG entitlement or if funds are reprogrammed from one activity to another by more than 15 percent of the total grant amount,. For FY 2008-2009 the City of Woodland's CDBG entitlement amount was \$570,443 and for FY 2007-2008 the City of Woodland's CDBG entitlement amount was \$593,363. Since the reprogramming of funds for FY 2007-2008 is less than 15 percent of the year's entitlement and the decrease in the FY 2008-2009 budget is less than 25% of the year's entitlement amount; staff has authority to administratively reallocate the following funds:

FY 2008-2009 Annual Action Plan:

- *Reduce the Housing Rehabilitation funding amount from \$178,581 to \$151,563.*

The 2008-2009 Housing Rehabilitation budget is being reduced to account for Housing Rehabilitation 2007-2008 program year expenditures. The 2007-2008 Action Plan allowed any uncommitted program income and entitlement funds to be allocated to the Housing Rehabilitation Program. HUD deadlines require the next year's Action Plan (CDBG budget) to be approved by City Council in April of the current year. However, in the fourth quarter of FY 07-08 there was unexpected demand for housing activities so more entitlement funds were used in the 07-08 year leaving less for 08-09.

- *Reduce the Series Street Lighting project(PPSS 08-06) from \$92,899 to \$61,606*

At fiscal year end, a CDBG fund balance reconciliation between IDIS and Pentamation was completed. As a result of the reconciliation, it was discovered that program income funds were overestimated in the FY 08-09 budget by approximately \$31,000. Reducing this project's amount balances the FY 08-09 budget. The 08-06 Series Street Lighting project has additional

funds from the Workforce Housing Grant of \$192,101. The project will be phased as funds and staff time become available. With CDBG, the total project budget for FY 08-09 is \$253,707.

- *Provide the \$30,000 in project delivery funds to the following projects:*

Project	Original Budget	Project Delivery i.e. Labor Compliance (5-10% of grant)	Revised Budget
Sexual Assault & Domestic Violence Center- Historic Maxwell School Renovation	\$115,144	\$5,757	\$120,901
St. John's Retirement Village- Emergency Generator	\$130,000	\$6,500	\$136,500
Yolo Family Service Agency- Site Renovation	\$107,773	\$10,778	\$118,551
Adult Day Health Center- Building Safety	\$67,101	\$6,965	\$74,066

FY 2007-2008 Annual Action Plan

- *Reallocate \$4,600 of originally encumbered FY 07-08. Administration funds to the following public facility projects, which need additional funds for unexpected activity delivery costs.*

Project	Original Budget	Revised Budget
Gibson Mansion	\$20,000	\$21,000
Summer House- HVAC	\$18,500	\$19,100
Chicano Studies Center for Art and Culture	\$217,875	\$219,875
Woodland Youth Services- Toilets for Teens	\$40,000	\$41,000

FY 2004-2005 Annual Action Plan

Amend the 2004-2005 Micro-enterprise Loan Program loan amounts from \$500 - \$5,000 to \$1,000 - \$25,000.

This change models the City's Micro-enterprise Loan Program after the successful Yuba College Small Business Development Center's program. In addition, the new loan amount range is consistent with other Micro-enterprise Loan Programs funded with CDBG funds.

Fiscal Impact

There is no change in the total CDBG entitlement amount for the FY 07-08 and 08-09 Annual Action Plans. The FY 07-08 CAPER is a reporting document and does not create a budgetary impact.

Public Contact

The public was informed that the CAPER was available for review through a notice published in the Daily Democrat on August 29, 2008 and posting of the City Council Agenda.

Recommendation for Action

Staff recommends that the City Council receive and review the Community Development Block Grant Consolidated Annual Performance and Evaluation Report for the FY 07-08 and Action Plan Amendments for FY 08-09, FY 07-08, and FY 04-05 regarding administrative reallocation of funds and a program description change. Staff will coordinate the administrative reallocation of funds with HUD and the City's Finance Department.

Prepared by: Devon Horne
Redevelopment/Housing Analyst

Reviewed by: Cynthia Shallit
Redevelopment/Housing Manager

Reviewed by: Barry Munowitch, AICP
Assistant City Manager

Mark G. Deven
City Manager

Attachments:
07-08 Action Plan Amendments
08-09 Action Plan Amendments
CAPER and IDIS Reports