



Consent  
**July 13, 2010**

**Honorable Mayor and Members of the City Council**

**Title: Mid-Year Update to the 2010 One-Year Action Plan Community Development Block Grant (CDBG) Program**

**Location/Council District:** Citywide

**Recommendation:** Adopt 1) a **City Council Resolution:** a) approving the amendment to the 2010 One-Year Action Plan Budget and Action Plan; b) authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to submit the amendment to the 2010 One-Year Action Plan to the U.S. Department of Housing and Urban Development (HUD); c) authorizing the City Manager and the SHRA Executive Director to execute agreements and contracts with the appropriate entities to carry out the Community Development Block Grant (CDBG) funded activities; d) amending the SHRA Budget to allocate the CDBG funding for programs and projects in accordance with the amendment of the prior years' Action Plans; and e) authorizing SHRA to identify a provider to replace County Department of Human Assistance (DHA) for the Senior Nutrition Program.

**Contact:** Gregory H. Wessel, Assistant Director, 440-1346, David E. Ossont, Redevelopment Analyst, 449-6242

**Presenters:** N/A

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue:** This report requests approval of a Mid-Year 2010 One-Year Action Plan Update and submission of the revised documents to the U.S. Department of Housing and Urban Development (HUD). The 2010 One-Year Action Plan describes community development activities funded by the City through the use of federal community development funding originating from HUD, and any amendments are required to be submitted to HUD each year. Please refer to Exhibits A and B to the City Resolution for the list of activities to be reprogrammed from previously approved appropriations and allocated to new

## CDBG 2010 Action Plan Amendment for Senior Nutrition Program

and existing activities which must be completed in the next 18 months as required by HUD.

The infrastructure and public improvement projects recommended in the 2010 Mid-Year Action Plan amendment are in support of Council District and various department priorities, as well as previous commitments to support projects currently underway throughout the City. District funding allocations are based on the most current federal budget trends and the percentage of low- and moderate-income population residing in the district as documented in the 2000 census. Other actions to further Consolidated Plan strategies as required by HUD are described in the Action Plan Narrative, the Public Housing Authority Administrative Plan, the Citizen Participation Plan, the Continuum of Care Plan and the Ten-Year Plan to End Chronic Homelessness. These documents are on file with the Agency Clerk.

In the 2010 One-Year Action Plan submission to HUD, SHRA identified funding for homeless activities, transitional housing support, Single Room Occupancy (SRO) supportive services, 211 Sacramento, youth after school programs, and a Senior Nutrition Program in the public services category. The County of Sacramento's Department of Human Assistance (DHA) was identified as the provider for Senior Nutrition Program. On May 7, 2010, DHA notified the Agency they would not be able to continue the Senior Nutrition Program due to the significant County General Fund deficit. DHA also issued notice of termination for the Senior Nutrition Services portion of the CDBG agreement between DHA and the Agency, effective June 30, 2010. The purpose of staff's recommendation is to update the 2010 Action Plan by authorizing the Agency to identify a provider to replace DHA to carryout the Senior Nutrition Program through the end of 2010.

**Policy Considerations:** The recommended actions in this staff report are consistent with the City of Sacramento's 2008-12 Consolidated Plan adopted on October 23, 2007.

#### **Environmental Considerations:**

**California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA):** The following proposed actions are exempt from environmental review based on the specified CEQA and NEPA exemptions:

**Senior Nutrition Program** – The Agency will be designating a new provider for the Senior Nutrition Program to replace the current provider, which will no longer be able to provide the services necessary to keep the program running. This is an administrative activity that will not result in an impact to the environment, and is Exempt under NEPA Section 58.34 (a)(3). This action is not considered a project under CEQA Guidelines Section 15378 (b)(5), and no further environmental review is required.

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**Alkali Flat Street Lighting Project** – The Agency is designating CDBG funds to design new street lighting to be placed in the existing right-of-way in the Alkali Flat neighborhood. Such engineering and design costs are Exempt under NEPA Section 58.34(a)(8). The added street lights along existing roadways are considered accessory structures, and are Categorically Exempt per CEQA Guidelines Section 15311

**Sustainability Considerations:** The Projects included in this report have been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the following goals, policies and targets as follows: the project supports Goal number five – Public health and Nutrition, item 3 – Create Healthy Urban Environments through Restorative Redevelopment.

**Committee/Commission Action:** *Sacramento Housing and Redevelopment Commission:* It is anticipated that, at its July 7, 2010 meeting, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. In the event this does not occur, staff will brief the Council on the outcome of their vote on July 13, 2010.

**Rationale for Recommendation:** As a condition of the receipt of various federal grants provided through HUD, the regulations require the annual submittal of a One-Year Action Plan describing proposed activities and expenditures for the following year using goals and priorities described in the Consolidated Plan. Any amendments to the One-Year Action plan must also be submitted to HUD. The proposed de-funding and appropriation of funds to new and existing activities, which can be completed within 18 months, are consistent with the goals and objectives of the City of Sacramento's 2008-2012 Consolidated Plan, approved by the Council on October 23, 2007.

**Financial Considerations:** This report recommends defunding in the amount of \$373,375, as detailed in Exhibit A, and new appropriations totaling \$373,375, as detailed in Exhibit B, to activities which can be completed within 18 months as required by HUD.

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**M/WBE Considerations:** Minority and Woman's Business Enterprise requirements will be applied to all activities to the extent required by federal funding. To the extent possible, SHRA shall encourage all participants to hire locally and to partner with emerging small businesses.

Respectfully Submitted by:   
LA SHELLE DOZIER  
Executive Director

Recommendation Approved:

  
for GUS VINA  
Interim City Manager

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## **RESOLUTION NO. 2010 -**

**Adopted by the Sacramento City Council**

on date of

### **AMENDMENT TO THE CITY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) AND VARIOUS YEARS' ACTION PLANS**

#### **BACKGROUND**

- A. The Department of Housing and Urban Development (HUD) requires the annual submittal of a One-Year Action Plan describing proposed activities and expenditures for the following year using the goals and priorities of the Consolidated Plan.
- B. On October 23, 2007, the Sacramento City Council approved the 2008-2012 Consolidated Plan. The Consolidated Plan identifies the City's housing and community development needs and describes a long-term strategy for meeting those needs. In addition, it specifically addresses federally-funded housing and community development programs: Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grant (ESG) Programs.
- C. On October 27, 2009, the Sacramento City Council approved the 2010 One-Year Action Plan. (Resolution – 2009-688)
- D. A noticed public hearing soliciting comments on the Amended 2010 One-Year Action Plan and Agency budget was held by the Sacramento Housing and Redevelopment Commission on July 7, 2010.
- E. The following proposed actions are exempt from environmental review based on the specified CEQA and NEPA exemptions: (1) Senior Nutrition Program – exempt under NEPA Section 58.34 (a)(3) and CEQA Guidelines Section 15378 (b)(5); and (2) Alkali Flat Street Lighting Project – exempt under NEPA Section 58.34(a)(8) and exempt per CEQA Guidelines Section 15311.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. All evidence presented having been duly considered, the findings above are true and correct.

- Section 2. The 2010 One-Year Action Plan is amended to add the projects set out in Exhibit B, which is attached to this resolution, and is hereby approved.
- Section 3. The Sacramento Housing and Redevelopment Agency (“Agency”) is authorized to amend the Agency Budget to allocate the CDBG funding for programs and projects in accordance with the amendment of the prior years’ Action Plan.
- Section 4. The Agency is authorized to submit the amendments of the 2010 One-Year Action Plan to HUD.
- Section 5. The City Manager is authorized to execute all necessary agreements and contracts to carry out the recommended activities described in this resolution, each in a form approved by the City Attorney.
- Section 6. The Agency is authorized to execute all necessary agreements and contracts to carry out the recommended activities described in this report, each in a form approved by Agency Counsel.
- Section 7. The Agency is authorized to identify a provider to replace DHA for the Senior Nutrition Program.

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Exhibit A: Defunded Activities for Various Years’ Action Plan

Exhibit B: 2010 City One-Year Action Plan New or Amended Activities

**City of Sacramento  
Defunded Activities for Various Years' Action Plan**

Activities being defunded are those that have been completed, cancelled or funded through alternative sources. Newly funded activities are scheduled to be implemented and completed by December 31, 2012 to comply with federal regulations governing the timely expenditure of funds.

<b>CDBG</b>		
<b>Recommendation</b>	<b>Amount</b>	<b>Fund</b>
<b>DHA Senior Nutrition Program:</b> Provides meals to homebound seniors and to non-homebound seniors at over 21 dining sites. Due to significant County General Fund deficit, DHA has opted out of the Senior Nutrition Program. Staff recommends funds be allocated to new non-profit provider for the program see Exhibit B.	\$243,375	
<b>Capital Reserve:</b> Fund reserve account for overruns in capital improvement activities and to fund budgeted activities in 2010 if CDBG entitlement is less than anticipated. Staff recommends defunding Capital Reserve to fund the Alkali Flat Streetlight Project in Exhibit B.	\$130,000	CDBG
<b>Total</b>	<b>\$373,375</b>	

**City of Sacramento  
Amendment to 2010 Action Plan**

This report formally amends the 2010 Action Plan by augmenting existing and new projects with CDBG. These activities have been identified as those that need immediate funding. Also, these adjustments will facilitate timely expenditures as required by HUD.

<b>CDBG</b>		
<b>Recommendation</b>	<b>Amount</b>	<b>Fund</b>
<b>Alkali Flat Streetlight Project (District 1):</b> Funding will be used for design of ornamental historical streetlights in an area totaling 78 acres and generally bounded by the Union Pacific Rail Lines to the North, 13 <sup>th</sup> Street to the East, G and F Streets to the South, and 7 <sup>th</sup> Street to the South. The design will include preparation of project plans, specifications and engineering estimates environmental clearances, and preparation of bidding documents.	\$130,000	CDBG
<b>Senior Nutrition Program:</b> Funding to provide meals to homebound seniors and to non-homebound seniors at dining sites.	\$243,375	CDBG
<b>Total</b>	<b>\$373,375</b>	