



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 04-19-06

Approved

Date 4/26/06

Council District: 5, 7
SNI Area: East Valley/680
Communities,
K.O.N.A.,
Mayfair

**SUBJECT: APPROVAL OF ACTIONS RELATED TO THE COMMUNITY
DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS**

RECOMMENDATION

1. Approval of continuations and extensions of funding terms for various CDBG projects as follows:
 - a) G33 Capitol Park Project (Previously know as Goss Community Facility) – DEPARTMENT OF PARKS, RECREATION & NEIGHBORHOOD SERVICES, for one year from December 31, 2005 to December 31, 2006,
 - b) G65 Mayfair Strong Neighborhood Traffic Calming – REDEVELOPMENT AGENCY, for eighteen months from December 31, 2005 to June 30, 2007,
 - c) F95 Cultivating Community Power – RESOURCES FOR FAMILIES & COMMUNITIES IN SANTA CLARA COUNTY, for one year from June 30, 2006 to June 30, 2007,
 - d) F99 Linda Vista Children's Center Renovation – KIDANGO, for one year from June 30, 2006 to June 30, 2007, and
 - e) K16 Therapeutic Recreation & Wellness Facility Pre-Development Study – DEPARTMENT OF PARKS, RECREATION & NEIGHBORHOOD SERVICES, for one year from June 30, 2006 to June 30, 2007.

CEQA: See Memo for CEQA designations. Council Districts 5, 7. SNI Area: East Valley/680 Communities, K.O.N.A., Mayfair (Parks, Recreation and Neighborhood Services).

2. Adoption of the following Appropriation Ordinance amendments in the Community Development Block Grant Fund:
 - a) Increase the appropriation to the Parks, Recreation and Neighborhood Services Department for the CDBG Administration appropriation (#2246) in the amount of \$150,000;
 - b) Decrease the Ending Fund Balance in the amount of \$150,000.

CEQA: Not A Project.

OUTCOME

Approval will facilitate completion of previously-approved projects that have been delayed due to varied circumstances. Actions to rebudget the appropriations may be brought forward at a later date.

Approval to utilize Ending Fund Balance to fund a database and equipment purchases will allow the CDBG program to develop mechanisms to track projects, expenses, performance measures and data to support federal and Council reporting. Any unused portion will return to the CDBG fund balance.

BACKGROUND

Public services projects that are awarded CDBG funds are allowed 12 months to complete their services while physical improvement projects are allowed 18 months. In some cases, projects have not been completed within their funding period. In order to complete the project, approval of an extension of the funding term is required. The CDBG Steering Committee meets once in the fall, then not again until spring. Therefore two projects, G33 and G65 noted below, were approved by the Committee on March 22, 2006 with extensions dating from December 2005.

At the end of each fiscal year unexpended funds are identified and a recommendation is made for the disposition of these funds. Staff is requesting that unexpended CDBG Administration funds from 2004-2005 be utilized this year. The funds were originally set aside and rebudgeted from 2003-2004. The proposed activities are within the HUD guidelines for Administration. These funds were approved by the CDBG Committee and City Council. The request to rebudget was approved by the CDBG Committee in February 2006.

ANALYSIS

These projects are recommended for extension and are listed in the Recommendation section of this memo. A brief status is provided below:

1. (a) G33 Capitol Park Project (previously known as Goss Community Facility) - DEPARTMENT OF PARKS, RECREATION AND NEIGHBORHOOD SERVICES (2000-2001): This project involves the installation of a double size modular building at the Capitol/Goss Park, adjacent to Goss Elementary School in the Dobern Neighborhood. The

project was delayed numerous times, but is now under construction. The bid opening was October 2005; construction began in January 2006; and the expected completion date is July 2006. It is recommended that the project be extended for one year through December 31, 2006 to allow the project sufficient time to complete construction.

1. (b) G65 Mayfair Strong Neighborhood Traffic Calming – REDEVELOPMENT AGENCY (2004-2005): This project will install traffic calming and pedestrian safety devices in the Mayfair Strong Neighborhood. Completion of this project will improve pedestrian safety for the disabled community, elderly, children and others. Pedestrian countdown signal heads, ADA curb ramps and textured crosswalks will create greater awareness for pedestrian safety and increase the “walk-ability” for all in the neighborhood. In spring 2005, a proposed scope of services presented to the Mayfair Neighborhood Action Committee (NAC) was not accepted due to a change in leadership. While the Mayfair NAC was supportive of the proposal, they were against the concept of installing median islands within the neighborhood. Their preference was to improve pedestrian safety along San Antonio Avenue, in addition to the countdowns, curb ramps and textured crosswalks. The review process with the NAC has taken several months to complete. The Mayfair NAC is continuing to work with staff, and has identified “new” traffic calming efforts for this project, which fall within the overall original project scope. It is recommended that the project funding be extended for eighteen months to June 30, 2007 to allow the review process between the Mayfair NAC and staff to resolve the issues with the scope of service and complete installation of the various traffic calming and pedestrian devices.

1. (c) F95 Cultivating Community Power – RESOURCES FOR FAMILIES & COMMUNITIES IN SANTA CLARA COUNTY (RFC) (2002-2003): The project consists of upgrading the RFC leased (City owned) property located at 1807 Sarasota Way in East San José. Construction work was expected to commence in April 2003 and be completed by June 30, 2003. Funding extensions were granted to December 31, 2003 and again to June 30, 2006. A special use permit requirement has been resolved, and agency eligibility and the agency’s capacity to provide services have been initially reviewed.

RFC is currently conducting an internal fiscal audit unrelated to CDBG projects. Early indications from their independent auditor are that there is a concern regarding the agency’s viability. Pending the outcome of the final independent audit, it is recommended that the project be put on hold and extended for one year to June 30, 2007 so the funding is not jeopardized. Extension of the funding will also allow the project sufficient time to complete construction.

1. (d) F99 Kidango Linda Vista Children's Center Renovations – KIDANGO (2004-2005): The project will demolish a building and adjacent storage areas, design a new outdoor play area for school age children, and design a drainage system at a child care facility at Linda Vista Elementary School. The project has been delayed because of setbacks in negotiating a new lease with the Alum Rock Union Elementary School District (ARUESD). Funding for lease of the facilities changed November 1, 2005, when Kidango began contracting directly with California Department of Education. As a result, Kidango is in the process of negotiating new lease agreements for all of their facilities. Currently Kidango anticipates new leases will be approved by the Alum Rock Board of Trustees in April 2006. The project could then go out to bid with construction potentially beginning in late June 2006. It is recommended that the project be

extended for one year to June 30, 2007 to allow the project sufficient time to complete construction.

1. (e) K16 Therapeutic Recreation and Wellness Facility Pre-Development Study - DEPARTMENT OF PARKS, RECREATION AND NEIGHBORHOOD SERVICES (2001-2002): The project provides for an architectural/design consultant to evaluate site feasibility, develop a facility design and architectural drawings for a centralized recreation and wellness center for persons with disabilities. Approximately one-half of the \$200,000 funding award was used to complete a study in June 2004. The study consisted of a site analysis, facility design options and preliminary architectural drawings for the Camden Multi-Service Community Center. Based on a recommendation by the Strategic Plan for Persons with Disabilities Advisory Board, the project considered using the remaining funds for a second study at an alternate site located on the San José State University (SJSU) Campus. However, the second study was delayed because SJSU indicated a therapeutic recreation facility was not on their priority list. The City is discussing alternatives to the SJSU site. It is recommended that the project be extended for one year to June 30, 2007, contingent upon project and CDBG staff agreeing that any proposed use of funds fits within the original scope of the funding award.

2. At the end of the FY 2004-2005, the appropriation for CDBG Administration had a remaining balance of \$277,625 largely due to a rebudget from 2003-2004 that was not spent, some salary savings and a freeze of other non-personal expenditures. This remaining balance became a part of the Ending Fund Balance.

Approp. No.:	2246 CDBG Administration
Balance Available:	\$277,625
Rebudget Amount:	\$150,000

The requested action is to approve the allocation of \$150,000 from the Ending Fund Balance for the purposes described below.

- Hire a consultant to develop and set-up a unified database for CDBG grant programs and purchase equipment, software and site licenses (\$150,000). This effort is being done to allow a more efficient way of tracking grant funds, organizations funded, status of projects, and aggregate impact of services to the community. It will enable the CDBG Grant Program to provide reports needed to make informed decisions. This project will be implemented in conjunction with the development of a citywide database for all grants. This was the intended use of the original rebudget from FY 2003-2004.

PUBLIC OUTREACH

The status of projects in this report was provided by funded agencies, including City Departments. The report was presented to the CDBG Steering Committee in a public meeting held on March 22, 2006, at which time the Steering Committee approved recommended funding for the above-mentioned projects to the City Council. The request to rebudget was approved by the CDBG Committee in February 2006.

COORDINATION

This report was prepared in coordination with the City Attorney's Office and the City Manager's Office.

COST IMPLICATIONS

The recommendations contained in this memorandum have no impact to the General Fund. The CDBG program is funded by Federal funds, and all CDBG funds associated with these projects have been encumbered from previous award cycles.

CDBG guidelines allow the use of 20% of the CDBG grant plus program income to be obligated for Planning, Fair Housing and General Administrative activities. The City has appropriated a total of \$2,389,868 or 18% for Planning, Fair Housing and General Administrative activities in 2005-2006. With the rebudget of \$150,000, costs for the CDBG program are expected to be below the 20% cap this year. Any unused portion will return to the CDBG fund balance. The current fund balance is sufficient to support the \$150,000 appropriation increase.

CEQA

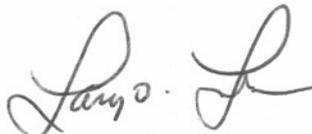
Approval of funding extension for various CDBG projects is Not A Project. Each project has been or will be individually evaluated for environmental clearance under CEQA.

- G33 Capitol Park Community Center (also known as Goss Community Facility) – Parks, Recreation and Neighborhood Services Department: Exempt, File No. PP03-267.
- G65 Mayfair Strong Neighborhood Traffic Calming – Redevelopment Agency: Exempt, File No. PP05-155.
- F95 Cultivating Community Power – Resources for Families and Communities (RFC): Exempt, File No. SP04-035.
- F99 Linda Vista Children's Center Renovation – Kidango: NEPA Compliance and CEQA clearance pending.
- K16 Therapeutic Recreation and Wellness Facility Pre-Development Study – Parks, Recreation and Neighborhood Services Department: Not a Project.

Approval of requested rebudget is Not A Project.



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