

# **AGENDA ITEM SUMMARY**

## **FORT COLLINS CITY COUNCIL**

**ITEM NUMBER: 16 A-B**

**DATE: June 6, 2006**

**STAFF: Ken Waido**

### **SUBJECT**

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Items Relating to the Completion of the Spring Cycle of the Competitive Process for Allocating City Financial Resources to Affordable Housing and Community Development Activities Utilizing the Federal Community Development Block Grant Program and Home Investment Partnership Program Grants, and the City's Affordable Housing Fund and Human Services Program.

### **RECOMMENDATION**

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Staff recommends adoption of the Ordinances on Second Reading.

### **EXECUTIVE SUMMARY**

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- A. Second Reading of Ordinance No. 084, 2006, Appropriating Unanticipated Revenue and Authorizing the Transfer of Appropriations Between Program Years in the Community Development Block Grant Fund.
- B. Second Reading of Ordinance No. 085, 2006, Appropriating Unanticipated Revenue and Authorizing the Transfer of Appropriations Between Program Years in the Home Investment Partnerships Fund.

These Ordinances, unanimously adopted on First Reading on May 16, 2006, complete the spring cycle of the competitive process for allocating City financial resources to affordable housing projects/programs and community development activities (CDBG/HOME/Affordable Housing/Human Services funds).

**AGENDA ITEM SUMMARY**  
**FORT COLLINS CITY COUNCIL**

ITEM NUMBER: 28 A-D

DATE: May 16, 2006

STAFF: Ken Waido

**SUBJECT**

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Items Relating to the Completion of the Spring Cycle of the Competitive Process for Allocating City Financial Resources to Affordable Housing and Community Development Activities Utilizing the Federal Community Development Block Grant Program and Home Investment Partnership Program Grants, and the City's Affordable Housing Fund and Human Services Program.

**RECOMMENDATION**

Staff recommends adoption of the Resolutions and the Ordinances on First Reading. The Community Development Block Grant Commission presents a list of recommendations as to which programs and projects should receive funding.

**FINANCIAL IMPACT**

The Community Development Block Grant ("CDBG") Program and Home Investment Partnership ("HOME") Program provide Federal funds from the Department of Housing and Urban Development ("HUD") to the City of Fort Collins which can be allocated to housing and community development related programs and projects, thereby reducing the demand on the City's General Fund Budget to address such needs. City funds for this item were appropriated as part of the Affordable Housing Fund and the Human Services Program in December, 2005.

**EXECUTIVE SUMMARY**

- A. Resolution 2006-059 Approving the Programs and Projects that Will Receive Funds from the Federal Community Development Block Grant Program and Home Investment Partnership Program Grants and the City's Affordable Housing Fund and Human Services Program.
- B. Resolution 2006-060 Approving the FY 2006 Home Investment Partnerships Program for the City of Fort Collins.
- C. First Reading of Ordinance No. 084, 2006, Appropriating Unanticipated Revenue and Authorizing the Transfer of Appropriations Between Program Years in the Community Development Block Grant Fund.
- D. First Reading of Ordinance No. 085, 2006, Appropriating Unanticipated Revenue and Authorizing the Transfer of Appropriations Between Program Years in the Home Investment Partnerships Fund.

These Resolutions and Ordinances will complete the spring cycle of the competitive process for allocating City financial resources to affordable housing projects/programs and community development activities (CDBG/HOME/Affordable Housing/Human Services funds).

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**BACKGROUND**

The two Resolutions relate to funding under the CDBG and HOME Programs and available City funds.

Resolution 2006-059 establishes which programs and projects will receive funding with CDBG funds for the FY 2006 Program year, which starts on October 1, 2006, and the use of Reprogrammed CDBG Entitlement Grant funds, CDBG Program Income, funds from the FY 2006 HOME Grant, Unprogrammed FY 04 HOME Grant Funds, HOME Program Income, funds from the HOME FY 04-05 Community Housing Development Organization Set Aside and funds from the City's Affordable Housing Fund and Human Services Program. The CDBG Commission presents a list of recommendations as to which programs and projects should receive funding.

Resolution 2006-060 establishes the major funding categories within the HOME Program for the FY 2006 Program year, which also starts on October 1, 2006. Specific projects for the use of HOME funds will be determined in November as a result of the fall funding cycle of the competitive process for the allocation of the City's financial resources to affordable housing programs/projects and community development activities.

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The following table summarizes the amount and sources of available funds:

AMOUNT	SOURCE
\$1,037,758	FY 2006 CDBG Entitlement Grant
39,012	Reprogrammed CDBG Funds
62,000	CDBG Program Income
306,981	Unprogrammed FY05 HOME Funds
51,312	Unprogrammed FY 04-05 HOME CHDO Funds
74,541	FY 2006 HOME Grant and Program Income for Administration
237,931	Affordable Housing Fund (previously appropriated in December, 2005)
332,000	Human Services Program (previously appropriated in December, 2005)
<b>\$2,141,535</b>	<b>Total Funding Available</b>

Unprogrammed funding is the amount of grant funds available from a fiscal year federal grant that has yet to be allocated to a specific project. Reprogrammed funding is the amount of grant funds that were previously allocated to a project(s) but have been returned to the City due to failure to complete the project(s).

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The CDBG Commission presents recommendations as to which programs and projects should receive funding from the available funding sources presented above. The following tables present the allocations recommended by the Commission to the City Council within each major category:

**PLANNING AND ADMINISTRATION**

Applicant Project/Program	Funding Request	Commission's Recommendation	Unfunded Balance
PA-1 City of Fort Collins HOME Administration	\$74,541	\$74,541	\$0
PA-2 City of Fort Collins CDBG Administration	\$212,306	\$212,306	\$0

The HOME FY 2006 Grant and Program Income totals \$745,419. HUD regulations limit a maximum of 10% for Administrative purposes, or \$74,541.

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The CDBG FY 2006 Entitlement Grant and Program Income totals \$1,099,758. HUD regulations limit a maximum of 20% of these funds for Planning and Administrative purposes, or \$219,952. The recommended amount of \$212,306 represents 19.3% of the maximum 20% allowed. The amount of CDBG funds being proposed for administrative purposes for FY 2006 is not significantly different than the amount used in FY 2005. The higher percentage for administrative purposes is due to a 10% reduction in the City's Entitlement Grant amount.

**AFFORDABLE HOUSING AND PUBLIC FACILITIES**

Applicant Project/Program	Funding Request	Commission's Recommendation	Unfunded Balance
HO-1 FCHC - Village on Swallow Rehabilitation	\$324,964	\$300,000	\$24,964
HO-2 FCHA - First Step Rental Assistance for Homeless and Near Homeless Families	\$229,920 (Grant)	\$194,912 (Grant)	\$35,008
HO-3 Accessible Space, Inc. Supportive Housing Phase II	\$350,000	\$350,000	\$0
HO-4 Redstone Village Apartments	\$341,800	Withdrawn by request of applicant	

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Applicant Project/Program	Funding Request	Commission's Recommendation	Unfunded Balance
HO-5 CARE Housing "Green Built" Land Acquisition	\$700,000	\$400,000	\$300,000
PF-1 Harmony House Visitation Center Window Rehabilitation	\$7,025	\$7,025	\$0

Excepted as noted above, all funding recommendations in the Affordable Housing and Public Facilities category are in the form of a "Due on Sale Loan + 5% Simple Interest."

**PUBLIC SERVICE**

Applicant Project/Program	Funding Request	Commission's Recommendation	Unfunded Balance
PS-1 FCHC Case Management	\$60,171	\$0	\$60,171
PS-2 Springfield Court Sliding Scale Assistance	\$18,000	\$18,000 (CDBG grant)	\$0
PS-3 Springfield Court Pre-School Assistance	\$10,400	\$10,400 (CDBG grant)	\$0
PS-4 B.A.S.E. Camp Sliding Scale Assistance	\$33,815	\$33,815 (CDBG grant)	\$0
PS-5 RVNA Home Health Care	\$35,000	\$25,000 (HSP grant)	\$10,000
PS-6 Elderhaus Therapy Center	\$21,000	\$16,920 (HSP grant)	\$4,080
PS-7 ELTC Employment Skills	\$20,000	\$20,000 (CDBG grant)	\$0
PS-8 PS-S Service for Single Parents	\$18,000	\$18,000 (CDBG grant)	\$0
PS-9 United Way HPI Rent Assistance	\$35,000	\$35,000 (HSP grant)	\$0
PS-10 VOA Meal Program	\$14,600	\$14,600 (HSP grant)	\$0
PS-11 Neighbor-to-Neighbor Housing Counseling	\$61,120	\$58,599 (HSP grant)	\$2,521
PS-12 DRS Access to Independence	\$20,002	\$20,002 (HSP grant)	\$0
PS-13 Neighbor-to-Neighbor Rent Assistance	\$15,000	\$15,000 (HSP grant)	\$0

Applicant Project/Program	Funding Request	Commission's Recommendation	Unfunded Balance
PS-14 NCAP Case Management	\$19,000	\$16,409 (HSP grant) \$2,591 (CDBG grant)	\$0
PS-15 CCN Shelter Operations	\$42,158	\$42,158 (CDBG grant)	\$0
PS-16 CCN Senior Services	\$15,000	\$0	\$15,000
PS-17 Turning Point STEP	\$16,000	\$0	\$16,000
PS-18 Respite Care Sliding Scale Assistance	\$20,000	\$20,000 (CDBG grant)	\$0
PS-19 Food Bank Kids Café	\$15,472	\$15,472 (HSP grant)	\$0
PS-20 LCMH Case Manager	\$25,000	\$0	\$25,000
PS-21 United Day Care Sliding Scale Assistance	\$60,500	\$60,500 (HSP grant)	\$0
PS-22 United Way 2-1-1	\$35,300	\$0	\$35,300
PS-23 Crossroads Safehouse Advocacy Program	\$46,800	\$36,400 (HSP grant)	\$10,400
PS-24 Women's Resource Center	\$18,098	\$18,098 (HSP grant)	\$0
PS-25 CASA Harmony House Scholarship	\$7,856	\$0	\$7,856

The CDBG FY 2006 Entitlement Grant and Program Income totals \$1,099,758. HUD regulations limit a maximum 15% of these funds, or \$164,964, for use in the Public Services category. The City's Human Services Program adds \$332,000 for use in the category, for a total of \$496,964 of available funding.

A summary of the Commission's funding recommendations by category is presented in the following table:

Recommended Funding	% of Total	Category
\$ 286,847	14.1%	CDBG and HOME Administration
\$1,244,912	61.2%	Affordable Housing
\$ 7,025	.3%	Public Facilities
\$ 496,964	24.4%	Public Services
\$2,035,748	100.0%	Total

The CDBG Commission has recommended that \$2,035,748 of the available funding amount of \$2,141,535 be allocated leaving a balance of \$105,787. The Commission recommends all of the funds from all sources be utilized except for \$105,787 from the FY 2006 CDBG Entitlement Grant. The \$105,787 will be carried over and will be available for allocation in the fall cycle of the competitive process.

The City's HOME Participating Jurisdiction Grant of \$645,419 and the unanticipated HOME Program income of \$100,000, less \$74,541 which is being expended on administrative expenses as identified above, will be available for allocation in the fall cycle of the competitive process.

## ATTACHMENTS

1. Background and Summary of the CDBG Commission's Recommendations for Funding
2. Background Information on the Competitive Process
3. Affordable Housing Board's List of Priority Projects
4. Background Information on the CDBG and HOME Federal Programs
5. CDBG Commission's Comments on Proposal
6. Focus Questions for CDBG Commission
7. Formulation of Funding Recommendations Session
8. Powerpoint Presentation slides

ORDINANCE NO. 084, 2006  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROPRIATING UNANTICIPATED REVENUE AND  
AUTHORIZING THE TRANSFER OF APPROPRIATIONS BETWEEN  
PROGRAM YEARS IN THE COMMUNITY DEVELOPMENT BLOCK GRANT FUND

WHEREAS, Article V, Section 9, of the Charter of the City of Fort Collins ("Charter") permits City Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, Article V, Section 10, of the Charter authorizes the City Council to transfer by ordinance any unexpended and unencumbered amount or portion thereof from one fund or capital project to another fund or capital project, provided that the purpose for which the funds were initially appropriated no longer exists; and

WHEREAS, Article V, Section 11, of the Charter provides that federal grant appropriations shall not lapse if unexpended at the end of the budget year until the expiration of the federal grant; and

WHEREAS, the City will receive in federal fiscal year 2006-2007 unanticipated revenue in the form of federal Community Development Block Grant ("CDBG") funds totaling \$1,037,758, constituting a new revenue source; and

WHEREAS, the City will receive unanticipated CDBG Program income in the 2006-2007 federal fiscal year in the amount of \$62,000; and

WHEREAS, unexpended funds are also available from the CDBG Program from prior fiscal years in the amount of \$39,012; and

WHEREAS, City staff has determined that the appropriation of all unanticipated CDBG grant and program revenue from the U.S. Department of Housing and Urban Development ("HUD") as described herein will not result in total appropriations in excess of the current estimate of actual and anticipated revenues for fiscal year 2006; and

WHEREAS, by adoption of Resolution 2006-059 City Council approved the 2005-2006 Community Development Block Grant Program; and

WHEREAS, by adoption of Resolution 2005-080 City Council authorized the City Manager to transmit for approval the 2005-2009 Fort Collins Consolidated Action Plan to HUD as required to receive the grant funds.



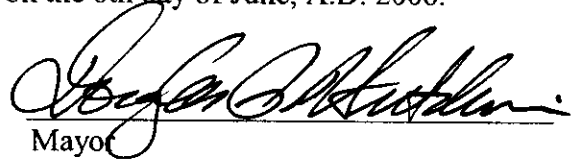
NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That there is hereby appropriated for expenditure from unanticipated revenue in the federal fiscal year 2006-2007 into the Community Development Block Grant Fund, the sum of ONE MILLION THIRTY-SEVEN THOUSAND SEVEN HUNDRED FIFTY-EIGHT DOLLARS (\$1,037,758), upon receipt thereof from federal fiscal year 2006-2007 Community Development Block Grant Funds.

Section 2. That there is hereby appropriated for expenditure from unanticipated program income revenue, upon receipt thereof into the Community Development Block Grant Fund, the sum of SIXTY-TWO THOUSAND DOLLARS (\$62,000), for approved Community Development Block Grant projects.

Section 3. That the unexpended and unencumbered amount of THIRTY-NINE THOUSAND TWELVE DOLLARS (\$39,012) is hereby authorized for transfer from the 2004-2005 Community Development Block Grant Program to the 2006-2007 Community Development Block Grant Program and appropriated therein.

Introduced, considered favorably on first reading, and ordered published this 16th day of May, A.D. 2006, and to be presented for final passage on the 6th day of June, A.D. 2006.

  
Mayor

ATTEST:

  
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City Clerk / Chief Deputy

Passed and adopted on final reading on the 6th day of June, A.D. 2006.

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Mayor

ATTEST:

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City Clerk

ORDINANCE NO. 085, 2006  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROPRIATING UNANTICIPATED REVENUE AND  
AUTHORIZING THE TRANSFER OF APPROPRIATIONS  
BETWEEN PROGRAM YEARS IN THE  
HOME INVESTMENT PARTNERSHIPS FUND

WHEREAS, the HOME Investment Partnership Program (the "HOME Program") was authorized by the National Affordable Housing Act of 1990 to provide funds in the form of Participating Jurisdiction Grants for a variety of housing-related activities which would increase the supply of decent, safe, and affordable housing; and

WHEREAS, on March 1, 1994, the City Council adopted Resolution 1994-092 authorizing the Mayor to submit to the U.S. Department of Housing and Urban Development ("HUD") a notification of intent to participate in the HOME Program; and

WHEREAS, on May 26, 1994, HUD designated the City as a Participating Jurisdiction in the HOME Program, allowing the City to receive an allocation of HOME Program funds as long as Congress re-authorizes and continues to fund the program; and

WHEREAS, the City has been notified by HUD that the City's HOME Participating Jurisdiction Grant for the federal fiscal year 2006-2007 is \$645,419, constituting a new revenue source; and

WHEREAS, the City will also receive unanticipated HOME Program income in the 2006-2007 federal fiscal year in the amount of \$100,000; and

WHEREAS, unexpended funds are also available from the HOME Program for the federal 2004-2005 fiscal year in the amount of \$51,312; and

WHEREAS, unexpended funds are also available from the HOME Program for the federal 2005-2006 fiscal year in the amount of \$306,981; and

WHEREAS; Article V, Section 9, of the Charter of the City of Fort Collins permits the City Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, do not exceed the then current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, City staff has determined that the appropriation of the HOME Program funds as described herein will not cause the total amount appropriated in the HOME Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during the 2006 fiscal year; and

WHEREAS, Article V, Section 10, of the Charter authorizes the City Council to transfer by ordinance any unexpended and unencumbered amount or portion thereof from one project to another project, provided that the purpose for which the funds were initially appropriated no longer exists; and

WHEREAS, Article V, Section 11, of the Charter provides that federal grant appropriations shall not lapse if unexpended at the end of the budget year until the expiration of the federal grant.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

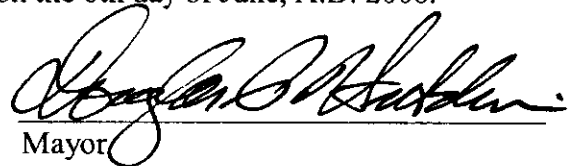
Section 1. That there is hereby appropriated for expenditure from unanticipated revenue in the federal fiscal year 2006-2007 into the HOME Program Fund the sum of SIX HUNDRED FORTY-FIVE THOUSAND FOUR HUNDRED NINETEEN DOLLARS (\$645,419), upon receipt from federal fiscal year 2006-2007 HOME Participating Jurisdiction Grant Funds.

Section 2. That there is hereby appropriated for expenditure from unanticipated program income revenue, upon receipt thereof into the HOME Program Fund the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000) for approved HOME Program projects.

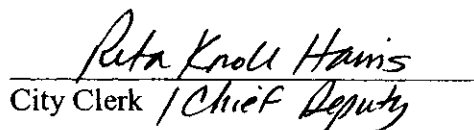
Section 3. That the unexpended and unencumbered amount of FIFTY-ONE THOUSAND THREE HUNDRED TWELVE DOLLARS (\$51,312) is hereby authorized for transfer from 2004-2005 HOME Program projects to the 2006-2007 HOME Program.

Section 3. That the unexpended and unencumbered amount of THREE HUNDRED SIX THOUSAND NINE HUNDRED EIGHTY-ONE DOLLARS (\$306,981) is hereby authorized for transfer from 2005-2006 HOME Program projects to the 2006-2007 HOME Program.

Introduced, considered favorably on first reading, and ordered published this 16th day of May, A.D. 2006, and to be presented for final passage on the 6th day of June, A.D. 2006.

  
Mayor

ATTEST:

  
City Clerk / Chief Deputy

Passed and adopted on final reading on the 6th day of June, A.D. 2006.

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Mayor

ATTEST:

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City Clerk