



# ***CITY COUNCIL AGENDA REPORT***

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MEETING DATE: May 3, 2011

ITEM NUMBER:

**SUBJECT: Request to Continue: Public Hearing for Fiscal Year 2011-2012 Funding Priorities for Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME)**

**DATE: MAY 3, 2011**

**FROM: CITY MANAGER'S OFFICE/HOUSING AND COMMUNITY DEVELOPMENT**

**PRESENTATION BY: DAN BAKER, MANAGEMENT ANALYST**

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## **RECOMMENDATION**

That the City Council:

1. Continue the Public Hearing for Fiscal Year 2011-2012 Funding Priorities for Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) to the June 7, 2011 City Council meeting.

## **BACKGROUND**

Costa Mesa is a Housing and Urban Development (HUD) entitlement City which is automatically eligible to receive Community Development Block Grant (CDBG) and HOME Partnership Program Grant (HOME) funds. These two (2) HUD programs annually provide over \$2 million to the City and offer an array of services that either assist low and moderate income persons and/or arrest blight in deteriorated neighborhoods.

Typically, the City is advised of it's CDBG and HOME appropriations in late February/early March. However, due to difficulty reaching consensus, the Federal Government only recently approved a budget and HUD has not yet issued

appropriations to the local jurisdictions. We have been informed by our local HUD office that the appropriations will be announced in the next couple weeks.

Staff had originally intended to present an estimated budget to the City Council tonight due to the fact that the City is still required to submit the Annual Action Plan by the May 15<sup>th</sup> deadline. However, HUD has extended the deadline for submission of the Action Plan to June 30, 2011. Additionally, indications from HUD have been that there will be a significant decrease in the amount of funding from the current year. As a result, Staff is requesting a continuance of this item in order to present a more accurate budget and Action Plan utilizing actual appropriation numbers.

### **FISCAL IMPACT**

For fiscal year 2011-2012, the City has not yet received its CDBG and HOME allocations. Typically the City receives approximately \$2 million in revenue from these federal grants. However, it is anticipated that FY2011-2012 will reflect a significant decrease from prior years.

### **LEGAL IMPACT**

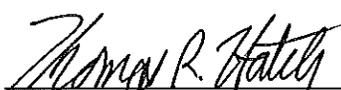
There is no adverse legal impact anticipated by the Council's taking the recommended action(s), based upon the documents and information provided to this office.

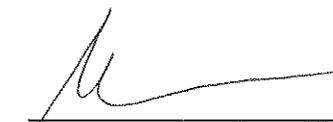
### **CONCLUSION**

Due to an extension on the submission date by HUD as well as the late budget passage by the Federal Government, Staff is recommending a continuance of the Funding Priority for FY2011-2012 for the CDBG and HOME Grants. Because this item is a Public Hearing and had been previously noticed to be heard tonight, Council action is required to continue the item to another meeting.

It is recommended that the City Council:

1. Continue the Public Hearing for Fiscal Year 2011-2012 Funding Priorities for Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) to the June 7, 2011 City Council meeting.

  
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Thomas R. Hatch  
Chief Executive Officer

  
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Muriel Ullman  
Neighborhood Improvement Manager