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## Council Action and Executive Summary

Item # 5 Ordinance/Resolution# 12-198

For Meeting of \_\_\_\_\_  
(Ordinance First Reading Date)

For Meeting of June 4, 2012  
(Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL       LEGISLATIVE       ADMINISTRATIVE

**TITLE: A RESOLUTION APPROVING AMENDMENT #2 TO THE CITY'S 2011 ACTION PLAN TO REDUCE THE ANTICIPATED PROGRAM INCOME TO BE RECEIVED FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND CORRESPONDING PROJECT EXPENDITURES. THE RESOLUTION APPROVES THE NECESSARY BUDGET ADJUSTMENT TO THE CITY'S FY2012 BUDGET TO REFLECT AMENDMENT #2 TO THE 2011 ACTION PLAN.**

### PURPOSE(S) OF ACTION:

To approve amendment #2 to the City's 2011 Action Plan.

<b>COUNCIL DISTRICT:</b> N/A		
<b><u>Drafter/Staff Contact:</u></b> David Dollahon	<b><u>Department/Section:</u></b> Community Development/ Planning & Neighborhood Services	<b><u>Phone:</u></b> 528-3060
<b><u>City Manager Signature:</u></b>		

### BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City of Las Cruces is an entitlement community under the U.S. Department of Housing and Urban Development's (HUD's) Community Development Block Grant (CDBG) Program. As part of the annual Action Plan process, City staff anticipates the amount of program income to be received in the program year; which for the City's CDBG Program is derived from the regular payments and payoffs from previously made home rehabilitation program loans. In developing the Program Year 2011 (City FY2012), staff had anticipated program income to equal \$139,981. Based on amounts collected through May 1<sup>st</sup> and for anticipated payments for the last two months of the fiscal year, staff anticipates a necessary reduction of \$78,690 to the program income estimate. Therefore staff has developed 2011 Action Plan Amendment #2 to reduce the program income estimate and to reduce proposed expenditures to account for the less-than-anticipated program income. The reduction in expenditures will be accomplished by reducing unexpended balances for the Senior Programs Central Kitchen Project (from PY2006 and 2010) equaling \$47,913. This project is complete for the portion using CDBG funds (property purchased and preliminary design completed). The remaining \$30,777 is being reduced from uncommitted home rehabilitation project funds.

**SUPPORT INFORMATION:**

1. Resolution.
2. Exhibit "A", City FY 2012 Budget Adjustment.

**SOURCE OF FUNDING:**

<b>Is this action already budgeted?</b>	Yes	<input checked="" type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
<b>Does this action create any revenue?</b>	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$_____ for FY2012.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

**BUDGET NARRATIVE**

Each year the City staff makes a projection of the amount of program to be received for the CDBG Program with the adoption of the annual Action Plan. For Program Year 2011 (City FY2012) the anticipated amount was \$139,981 which was to come from regular payments and potential payoffs from previously made home rehabilitation program loans. In reviewing revenues received to date and projecting through June 30th, a reduction of \$78,690 is needed for both program income and corresponding expenditures. Staff is proposing to reduce funds to the Senior Programs Central Kitchen (project is complete from the CDBG funding perspective) and uncommitted (unobligated) home rehab project funding.

**FUND EXPENDITURE SUMMARY:**

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
Community Development (Fund 2000)	20184330-722195-10211	-\$30,777	\$146,372	\$115,595	Home Rehab Projects
	20184300-853100-10406	-\$3,265	\$3,265	\$0	N/A – project complete
	20184110-722190-10406	-\$44,648	\$44,648	\$0	N/A – project complete

**OPTIONS / ALTERNATIVES:**

1. Vote "Yes"; this will approve the proposed amendment to the City of Las Cruces' 2011 Action Plan Amendment #2 and corresponding budget adjustment due to less than anticipated receipt of program income. This ensures proper revenue and expenditures match for both the City's and HUD's financial systems.
2. Vote "No"; this will not approve the proposed amendment to the City of Las Cruces' 2011 Action Plan Amendment #2 and corresponding budget adjustment due to less than anticipated receipt of program income. This would prevent the City and HUD's financial systems from matching.
3. Vote to "Amend"; this modification would be at the Council's discretion and direction.
4. Vote to "Table"; this action would be at Council's direction to staff.

**REFERENCE INFORMATION:**

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. N/A

**RESOLUTION NO. 12-198**

**A RESOLUTION APPROVING AMENDMENT #2 TO THE CITY'S 2011 ACTION PLAN TO REDUCE THE ANTICIPATED PROGRAM INCOME TO BE RECEIVED FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND CORRESPONDING PROJECT EXPENDITURES. THE RESOLUTION APPROVES THE NECESSARY BUDGET ADJUSTMENT TO THE CITY'S FY2012 BUDGET TO REFLECT AMENDMENT #2 TO THE 2011 ACTION PLAN.**

The City Council is informed that:

**WHEREAS**, the City of Las Cruces is an entitlement community with the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) Program; and

**WHEREAS**, each year staff must develop an estimate of anticipated program income for CDBG that becomes part of the revenue and expenditure in that corresponding annual Action Plan; and

**WHEREAS**, the City's CDBG program income is received from payments and payoffs for loans made by the City's Home Rehabilitation Program; and

**WHEREAS**, for the Program Year 2011 (City Fiscal Year 2012), program income was estimated to be \$139,981 and it is anticipated to be short by \$78,690 for the period ending June 30, 2012; and

**WHEREAS**, the anticipated reduction in program income receipts for the CDBG Program is due to a reduced number of payments and less than anticipated payoffs from previously made home rehabilitation loans; and

**WHEREAS**, as such, an Action Plan Amendment #2 is being submitted to account for this reduction in program income and to reduce expenditures for completed projects and uncommitted home rehabilitation project funds.

**NOW, THEREFORE**, Be it resolved by the governing body of the City of Las Cruces:

**(I)**

**THAT** Amendment #2 to the City of Las Cruces 2011 Action Plan is hereby approved as follows:

- 1) Reduction of Program Income by \$78,690;
- 2) Reduction of proposed expenditures for the following projects by program year:
  - a. Program Year 2006 – Senior Programs Central Kitchen – Preliminary Design Project; Reduction of \$44,648 - project is completed and remaining unexpended funds are being reduced;
  - b. Program Year 2010 - Senior Programs Central Kitchen – Land Acquisition; Reduction of \$3,265 – land has been acquired and remaining unexpended funds are being reduced; and
  - c. Program Year 2011 – Home Rehabilitation Program – Uncommitted/unobligated Project Funds; Reduction of \$30,777 – sufficient balance remains to complete other home rehabilitation projects.

City staff is hereby authorized to submit this Resolution to the U.S. Department of Housing and Urban Development for their approval of this 2011 Action Plan Amendment #2 Plan.

**(II)**

**THAT** the City's FY 2012 Budget, as shown in Exhibit "A," attached hereto and made part of this Resolution, is hereby amended and approved.

**(III)**

**THAT** City staff is hereby authorized to do all deeds necessary in the

accomplishment of the herein above.

**DONE AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

(SEAL)

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

VOTE:

Mayor Miyagishima: \_\_\_\_\_

Councillor Silva: \_\_\_\_\_

Councillor Smith: \_\_\_\_\_

Councillor Pedroza: \_\_\_\_\_

Councillor Small: \_\_\_\_\_

Councillor Sorg: \_\_\_\_\_

Councillor Thomas: \_\_\_\_\_

**CITY OF LAS CRUCES**  
**ADOPTED BUDGET FY 2011/2012**

<b>FUND</b>	<b>DIVISION</b>		<b>FUND TYPE</b>	
<b>Community Development Fund 2000</b>	<b>Comm Dev</b>		<b>Special Revenue</b>	
	<b>FY 2010/11 Actual</b>	<b>FY 2011/12 Adopted</b>	<b>Adjustment</b>	<b>FY 2011/12 Adjusted</b>
<b>RESOURCES</b>				
Beginning Balance	\$ 36,953	17,921		17,921
<b>REVENUES</b>				
HR Non-Refunding Perf Bond 20180060-542301	\$ 7,915	10,000		10,000
CDBG Pgm Inc (Principal) 20180060-581010-110P1	122,683	131,240	(78,690)	52,550
Interest Revenue CDBG 20180060-570115-110P1	8,815	8,760		8,760
Other Revenue - CDBG 20180060-592001	77			
Other Revenue - CDBG 20180060-592110	2,213			
Other Revenue - CDBG 20180060-592110-110P1		0		0
CDBG Grant PY2011 2018XXXX-551011	0	916,341		916,341
CDBG Grant PY2010 20180320-551011	241,974	414,192		414,192
CDBG Grant PY2009 20180270-551011	1,010,371	206,048		206,048
CDBG Grant PY2008 20180230-551011	234,419	0		0
CDBG Grant PY2007 20180210-551011	0	57,947		57,947
CDBG Grant PY2006 20180050-551011	0	93,552		93,552
HOME Pgm Inc (Principal) 20180060-581011-111P1	51,540	33,405		33,405
Interest Revenue HOME 20180060-570116-111P1	1,847	1,520		1,520
Interest Rev Home Rental Proj 20180060-570121-111P1	12,266	11,075		11,075
Other Revenue - HOME 20180060-592111-111P1	0	0		0
HOME Grant PY2011 2018XXXX-551013	0	471,428		471,428
HOME Grant PY2010 20180330-551013	281,669	43,396		43,396
HOME Grant PY2009 20180280-551013	437,439	111,614		111,614
HOME Grant PY2008 20180240-551013	86,235	2,849		2,849
<b>Total Revenues</b>	<b>\$ 2,499,463</b>	<b>2,513,367</b>	<b>(78,690)</b>	<b>2,434,677</b>
<b>Total Resources</b>	<b>\$ 2,536,416</b>	<b>2,531,288</b>	<b>(78,690)</b>	<b>2,452,598</b>
<b>EXPENDITURES</b>				
HR Bond 20184130-722190	\$ 0	10,000		10,000
<b>2011/12 CDBG</b>				
Administration 20184330-XXXXX-10111	\$ 0	211,268		211,268
Rehab Administration 20184330-XXXXX-10211	0	377,124	(30,777)	346,347
Public Service Projects 20184330-722190-103xx	0	0		0
La Casa - 20184330-722190-10305	0	27,330		27,330
MVCH - 20184330-722190-10306	0	27,330		27,330
Jardin de los Niños - 20184330-722190-10307	0	27,330		27,330
MV CASA - 20184330-722190-10314	0	27,330		27,330
S. Lukes - 20184330-722190-10317	0	27,330		27,330
TdS Reroofs 20184030-722190-10411	0	40,000		40,000
Habitat 2011 Prop Acquis. 20184030-722190-10412	0	89,446		89,446
Streets 2011 20184330-854121-71110	0	200,000		200,000

## EXHIBIT "A" CONTINUED

CITY OF LAS CRUCES  
ADOPTED BUDGET FY 2011/2012

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FUND	DIVISION		FUND TYPE	
Community Development Fund 2000	Comm Dev		Special Revenue	
	FY 2010/11 Actual	FY 2011/12 Adopted	Adjustment	FY 2011/12 Adjusted
<b>2010/11 CDBG</b>				
Administration 20184300-XXXXX-10110	\$ 235,442	0		0
Rehab Administration 20184300-XXXXX-10210	153,905	307,562		307,562
Property Acq. HFH 10 20184300-722190-10410	100,000	0		0
La Casa-Emer Shelter 20184300-722190-10305	39,898	0		0
MVCH-Homeless Oper 20184300-722190-10306	38,298	0		0
St. Lukes HMLS Oper 20184300-722190-10317	5,738	0		0
Jardin de los Ninos-on site Medical 722190-10307	20,698	0		0
MV Casa-Vol Coord 20184300-722190-10314	20,298	0		0
CAAS - Sr. Therapeutic Mis 20184300-722190-10315	0	10,298		10,298
CAASN - Backpack 20184300-722190-10318	0	11,498		11,498
Tresco - Flex Prog 20184300-722190-10319	7,964	0		0
DA ACT4YTH - CH OBES 20184300-722190-10320	6,412	0		0
ABODE - HOPE HSG 1st 20184300-722190-10321	3,898	0		0
Property Acq. ABODE 20184300/200-722190-10405	84,000	0		0
Sr. Kitchen Prop 20184300-853100-10406	186,736	3,265	(3,265)	0
<b>2009/10 CDBG</b>				
Administration 20184240-722190-10109	\$ 41,712	0		0
Rehabilitation Administration 20184240-722195-10209	12,239	143,971		143,971
Public Services:				
La Casa-Laundry Fac Rehab 20184240-722190-10408	0	23,920		23,920
Casa de Peregrinos-Food Bank 722190-10313	(1,979)	0		0
Public Facilities/ADA/Public Improvements:				
Jefferson Road 20184240-722190-70M70	\$ 34,277	5,157		5,157
Jefferson Road 20184240-724190-70M71	1,270			
Jefferson Road 20184240-854121-70M70	251,795	33,000		33,000
<b>2008/09 CDBG</b>				
Rehabilitation Administration 20184200-722195-10208	\$ 186,090	0		0
Public Facilities/ADA/Public Improvements:				
MV Comm of Hope - Trns Hsg 20184200-722190-10405	65,478	0		0
Jefferson Road 20184200-854121-70M70	5,000	0		0
<b>2007/08 CDBG</b>				
Home Rehabilitation 20184160-722195-10207	\$ 1	0		0
Public Facilities/ADA/Public Improvements:				
Community of Hope 20184160-852100-61411	42,053	57,947		57,947
<b>2006/07 CDBG</b>				
Public Facilities/ADA/Public Improvements:				
CLC Central Kitchen 20184110-XXXXXX-10406	\$ 62,541	93,552	(44,648)	48,904
<b>Total CDBG</b>	\$ 1,603,764	1,754,658	(78,690)	1,675,968
<b>2011/12 HOME</b>				
Administration 20184340-XXXXXXXX-11111	0	51,695		51,695
HFH-CHDO SET ASD 11 20184340-722190-11212	0	40,100		40,100
TDS-CHDO SET ASD 11 20184340-722190-11213	0	37,500		37,500
HFH-CHDO OP 11 20184340-722190-11312	0	8,000		8,000
TDS-CHDO OP 11 20184340-722190-11313	0	8,000		8,000
La Casa TBRA 20184340-722190-11416	0	86,000		86,000
TDS-Down Payment Asst. 20184340-722190-11417	0	37,500		37,500
HFH 11 Property Acq. 20184340-722190-11418	0	248,633		248,633

## EXHIBIT "A" CONTINUED

CITY OF LAS CRUCES  
ADOPTED BUDGET FY 2011/2012

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FUND	DIVISION		FUND TYPE	
Community Development Fund 2000	Comm Dev		Special Revenue	
	FY 2010/11 Actual	FY 2011/12 Adopted	Adjustment	FY 2011/12 Adjusted
<b>2010/11 HOME</b>				
Administration 20184290-XXXXXXX-11110	\$ 53,543	0		0
HFH-CHDO SET ASD 10 20184290-722190-11209	28,900	0		0
TDS-CHDO SET ASD 10 20184290-722190-11210	28,900	0		0
CAA-CHDO SET ASD 10 20184290-722190-11211	27,874	2,053		2,053
HFH-CHDO OP 10 20184290-722190-11309	10,000	0		0
TDS-CHDO OP 10 20184290-722190-11310	10,000	0		0
CAA-CHDO OP 10 20184290-722190-11311	6,000	0		0
SF HSG - HFH 10 20184290-722190-11413	127,524	37,238		37,238
SF HSG - TDS 10 20184290-722190-11414	170,392	0		0
SF HSG - CAA 10 20184290-72190-11415	86,170	4,105		4,105
<b>2009/10 HOME</b>				
TBRA 20184250-722190-11409	\$ 31,915	72,977		72,977
Habitat-Property 20184250-722190-11411	51,824	38,637		38,637
Tierra del Sol 20184250-722190-11412	100,302	0		0
<b>2008/09 HOME 20184210</b>				
CHDO Set aside 2008- MV Habitat 11206	13,023	0		0
CHDO Set aside 2008- Tierra del Sol 11207	734	0		0
Property Acq - 2008- MV Habitat 11406	31,811	0		0
Property Acq - 2008- Tierra del Sol 11407	17,067	2,849		2,849
Property Acq - 2008- Tierra del Sol 11408	0	0		0
CHDO Set aside MV Habitat 20184170-722190-11205	0	0		0
TBRA 20184170-722190-11409	18,537	0		0
<b>2006/07 HOME</b>				
Property Acquisition 20184120-722190-11401	29,739	0		0
<b>Total HOME</b>	\$ 844,255	675,287	0	675,287
<b>Total Expenditures</b>	\$ 2,448,019	2,429,945	(78,690)	2,351,255
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to 3810 - HUD Sect 108 Loan Fund (CDBG PY2010)	\$ 0	(23,422)		(23,422)
Transfer to 3810 - HUD Sect 108 Loan Fund (CDBG PY2011)	(36,578)	(60,000)		(60,000)
<b>Total Other Financing Sources (Uses)</b>	\$ (36,578)	(83,422)	0	(83,422)
Accrual Adjustment	(33,898)			
<b>ENDING BALANCE</b>	\$ 17,921	17,921	0	17,921