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DATE: October 15, 2024

TO: Honorable Mayor and Members of the City Council

FROM: Travis Sanborn, Finance Director

THROUGH: Kyle Knopp, City Manager

SUBJECT: Resolution 1624-2024 - CDBG Fund Budget Adjustment

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Review the presented information and either approve Resolution 1624-2024 – CDBG Fund Budget Adjustment as proposed or suggest modifications for staff to incorporate.

BACKGROUND AND DISCUSSION:

This staff report proposes a budget adjustment for CDBG Fund 039 to accommodate additional projects approved by the Housing and Community Development (HCD) department and the City Council. These projects were not known during the original budget creation process. Additionally, the report addresses the requirement to utilize the City's Program Income (PI) funds, which this adjustment effectively accomplishes.

Resolution No. 1571-2023, previously approved by the City Council on February 7, 2023, authorized the use of CDBG Program Income for the rehabilitation of earthquake-damaged homes in Rio Dell. This resolution reallocated the PI funds to the Owner-Occupied Rehabilitation (OOR) program.

The proposed budget adjustment will increase the allocation for CDBG Fund 039 to accommodate the additional approved projects. The increased funding will ensure that these projects can be implemented as planned and that the City can meet its obligations to the community. Three projects are currently being budgeted for a total of \$550,000. The Fund Balance for the City's CDBG Fund is approximately 652,000.

This budget adjustment aligns with the City's requirement to utilize Program Income funds. By reallocating the PI funds to the OOR program, the City is effectively using these funds for eligible CDBG activities. This ensures compliance with federal regulations and maximizes the impact of the CDBG program.

The proposed budget adjustment must accommodate additional approved projects and comply with Program Income utilization requirements. By implementing this adjustment, the City can effectively utilize CDBG funds to support rehabilitating earthquake-damaged homes and improve residents' quality of life.

Attachments:

-Resolution 1624-2024



**RESOLUTION NO. 1624-2024
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIO DELL
AMENDING THE ADOPTED BUDGET
FOR FISCAL YEAR 2024-25 CDBG FUND BUDGET ADJUSTMENT**

WHEREAS, the City of Rio Dell has received approval for additional projects under the Community Development Block Grant (CDBG) program; and

WHEREAS, these additional projects were not anticipated during the original budget creation process; and

WHEREAS, the City is required to utilize its Program Income (PI) funds for eligible CDBG activities; and

WHEREAS, Resolution No. 1571-2023 authorized the use of CDBG PI funds for the rehabilitation of earthquake-damaged homes; and

WHEREAS, the proposed budget adjustment will increase the allocation for CDBG Fund 039 by \$550,000 to accommodate the additional approved projects; and

WHEREAS, this budget adjustment aligns with the City's requirement to utilize Program Income funds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIO DELL:

SECTION 1. The City Council hereby approves the budget adjustment for CDBG Fund 039 to increase the allocation by \$550,000 to accommodate additional approved projects.

SECTION 2. The City Council hereby directs the implementation of the budget adjustment and allocates the increased funds of \$550,000 to the appropriate projects.

SECTION 3. The City Council hereby acknowledges that this budget adjustment complies with the City's Program Income utilization requirements and ensures compliance with federal regulations.

SECTION 4. This resolution shall take effect immediately upon its passage.

NOW THEREFORE BE IT FURTHER RESOLVED, that the City of Rio Dell City Council does hereby amend the City of Rio Dell FY 2024-25 Operating and Capital Budget to increase appropriations for the CDBG Fund as follows:

<u>\$550,000</u>	<u>5115-06-039-0000-0000</u>
\$550,000	TOTAL INCREASED APPROPRIATIONS

PASSED AND ADOPTED by the City Council of the Rio Dell on this 15th day of October, 2024 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Debra Garnes, Mayor

ATTEST:

Karen Dunham, City Clerk