

PLANNING AND DEVELOPMENT MEMORANDUM
#08-37

August 28, 2008

TO: Honorable Mayor Kathleen M. Novak and City Council Members

FROM: David Allen, Acting City Manager *DA*
James Hayes, Director, Planning and Development Department *JH*

SUBJECT: CR-121 – Northglenn Neighborhood Development Corporation (NNDC)
Funding

RECOMMENDATION:

Attached to this memorandum is a Resolution, which, if approved authorizes the City Manager to distribute \$70,000 from the Department of Planning and Development budget to the Northglenn Neighborhood Development Corporation (NNDC). Two other conditions remove NNDC as a sub-grantee for the \$70,000 in Community Development Block Grant (CDBG) funds and a requirement for NNDC to implement an independent telephone and computer systems no later than December 1, 2008. Staff recommends approval of the proposed Resolution.

BACKGROUND:

On July 17 and August 7, 2008, staff presented information to the City Council regarding CDBG funds for the 2009 program year. Mr. Bill Sullivan, Executive Director of the Northglenn Neighborhood Development Corporation (NNDC) was invited to speak at the study session on August 7. Extensive discussion was held about the organization and the Council generally agreed to designate \$200,000 in CDBG funds for crosswalk improvements in 2009. Approval of the 2009 CDBG funds will be resolved with a separate Resolution that will be presented to City Council for consideration on August 28, 2008. NNDC was designated a sub-grantee for \$70,000 in CDBG funds for 2008, but has not been reimbursed the funds at this time.

Staff, Mr. Sullivan, and Council agreed that NNDC may not be the best organization to use CDBG funds due to the restrictions on usage for low and moderate income individuals. The proposed resolution is consistent with discussions between staff and Mr. Sullivan, which were communicated in an e-mail to City Council on July 10, 2008. Excerpts from that e-mail pertaining to the 2008 CDBG are included below:

"I met with (Mr.) Bill Sullivan from NNDC on Tuesday morning and we had a very good meeting about the various issues facing NNDC and Northglenn neighborhoods. We discussed a variety of issues and intend to continue working together over the next several weeks to reach consensus on these items. Ultimately, NNDC and the staff would like to have a work session with the Council to bring everyone up to speed on their projects and the new partnerships we are considering. As you will see from the summary, there are also some financial questions that need to be resolved

with the Council as we attempt to move forward. I have reviewed this e-mail with Bill Sullivan, and we generally agree on the facts outlined below.

1) \$70,000 - 2008 CDBG Funds

NNDC is currently restoring 115 Linda Sue Lane, which is in the middle of a CDBG eligible area. NNDC is not necessarily seeking assistance for that particular project, but rather assistance to the organization when working in CDBG eligible areas. A large portion of the staff time and capital is being devoted to Linda Sue Lane at this time. Bill (Sullivan) would like us to consider requests for reimbursements, which would be turned over to the County for a portion of the expenses they can certify are going to a CDBG eligible area. A specific project like Linda Sue Lane which meets the rehabilitation or acquisition guidelines of HUD may be eligible for CDBG funds, and there may still be a way for us to consider using a portion of the \$70,000 for this purpose. However, the end buyer may still need to be income eligible to use these funds. Just because the home is within a CDBG eligible area does not necessarily make it automatically eligible. We will continue to work with Bill (Sullivan) to identify specific expenses that may be reimbursed using the \$70,000 in CDBG funds earmarked for NNDC this year.

This dollar amount was originally discussed as a way to offset the increase in NNDC's overhead resulting from taking on (Ms.) Echo Jimenez to the NNDC staff. We discussed the use of funds for purposes consistent with HUD guidelines and it may be difficult for NNDC to meet the purposes of the grant since NNDC does not serve low and moderate income individuals, only low/mod areas. We discussed two alternatives to get NNDC \$70,000 in funding in 2008: a) Revise the use of the funds to address a CDBG eligible project in a specific area. This may not be feasible since we have not identified a specific area project which may be implemented by NNDC OR b) Relinquish the funds back to the City so we may use it for another CDBG eligible program, with the condition that the City grant an additional \$70,000 in general fund monies to offset the loss this year. In either case, I agreed to continue to pay for the NNDC phone line at \$300/month out of my budget for the balance of the year or until we can get the \$70,000 in additional funds appropriated. However, I have requested that NNDC make plans to take over this system within the next 6 months."

Staff met with the NNDC Board on August 14, 2008 and discussed a variety of these issues. Approval of the attached Resolution on August 28, 2008 is the first step in implementing some of the items outlined in the e-mail. Members of the NNDC Board and Mr. Sullivan have been invited to attend the City Council study session on September 4, 2008 and staff will provide an additional memo for the Council to consider as talking points.

BUDGET/TIME IMPLICATIONS:

The Department of Planning and Development has funds available for Professional Fees (Account Number 110-61711-3199) in the 2008 Budget. The original intent was to use these funds for consultants working on the Comprehensive Plan, Regional Transportation District (RTD)/Transit Oriented Development (TOD) area planning, and the Zoning and Subdivision Ordinances. Staff has determined that limited consultants will be retained in 2008, and a portion of the unused balance may be distributed to NNDC without impacting normal operations.

STAFF REFERENCE:

If Council members have any comments or questions they may contact James Hayes at 303-450-8937 or jhayes@northglenn.org.

SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-121
Series of 2008

Series of 2008

A RESOLUTION AUTHORIZING THE CITY MANAGER TO DISBURSE \$70,000 IN BUDGETED FUNDS FROM THE GENERAL FUND, PLANNING AND DEVELOPMENT DEPARTMENT BUDGET, "OTHER PROFESSIONAL FEES," TO THE NORTHGLENN NEIGHBORHOOD DEVELOPMENT CORPORATION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The City Council hereby authorizes the City Manager to disburse \$70,000 in budgeted funds from the General Fund, Planning and Development Department Budget, "Other Professional Fees," to the Northglenn Neighborhood Development Corporation (hereafter "NNDC").

Section 2. The City Council finds that such a disbursement is appropriate based on the fact that the disbursement will allow the funding of professional staff and associated overhead consistent with the above allocation of funds for professional fees.

Section 3. The City Council hereby removes the NNDC a sub-grantee of \$70,000 of funds from the 2008 Community Development Block Grant (CDBG) program for 2008.

Section 4. The City Council further directs that the NNDC implement a telephone and computer system independent of the City of Northglenn no later than December 1, 2008, and resolves that the City not pay for the NNDC phone line in the 2009 budget year.

DATED at Northglenn, Colorado, this ____ day of _____, 2008.

KATHLEEN M. NOVAK
Mayor

ATTEST:

APPROVED AS TO FORM:

JOHANNA SMALL, CMC
Acting City Clerk

COREY Y. HOFFMANN
City Attorney