

TO: James L. App, City Manager
FROM: Ron Whisenand, Community Development Director
SUBJECT: Oak Park Senior Housing: Appropriation of Economic Development Initiative Funds
DATE: November 7, 2006

Needs: For the City Council to make a budget appropriation for the \$498,900 in Federal Economic Development Initiative (EDI) funds to be used for construction of the Oak Park Senior Housing Project.

- Facts:
1. A grant to the City of \$498,900 in EDI funds was approved by the Federal Government in September 2003. Use of the funds is limited to assisting the construction of the 40 unit Oak Park Senior Housing Project.
 2. Neither the Housing Authority of the City of Paso Robles nor the Paso Robles Nonprofit Housing Corp., which is developing the project, are eligible to be recipients of EDI funds. The City is the EDI fund grant recipient on the part of the Paso Robles Nonprofit Housing Corp.
 3. The City has executed an agreement with the Paso Robles Nonprofit Housing Corp. under which the EDI funds will be loaned at no interest over a period of 55 years. At the end of the term, the loan will be forgiven provided that the project has continued to be operated as low income housing for seniors over the 55 year term. Structuring the assistance in the form of a loan was necessary for obtaining an exemption from prevailing wages for this project.
 4. The project is presently under construction and the EDI grant funds need to be drawn down to pay for contracted services.

Analysis and Conclusion: The appropriation of the \$498,900 is a technical necessity for receiving and disbursing the EDI funds..

Policy Reference: Federal regulations for EDI Funds

Fiscal Impact: This action would have no impact on the City's General Fund.

- Options:
- a. Adopt Resolution 06-XX to appropriate the EDI funds.
 - b. Amend, modify or reject the foregoing option.

Attachment: Resolution Appropriating EDI Funds

RESOLUTION NO. 06-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROPRIATING ECONOMIC DEVELOPMENT INITIATIVE FUNDS

WHEREAS, on September 2003, the Federal Government awarded the City a grant of \$498,900 in Economic Development Initiative (EDI) funds to be used for construction of the Oak Park Senior Housing Project; and

WHEREAS, the City has executed an agreement with the Paso Robles Nonprofit Housing Corp. under which the EDI funds will be loaned at no interest over a period of 55 years; and

NOW, THEREFORE, BE IT RESOLVED, by City Council of the City of El Paso de Robles to authorize a one-time budget appropriation in the amount of \$498,900 to Account No. 701-810-5235-597 and an offsetting adjustment to revenue Account No. 701-000-4618-000 in the amount of \$498,900.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 7th day of November 2006 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah D. Robinson, Deputy City Clerk