

RESOLUTION NO. 02-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
ESTABLISHING A PRACTICE OF ALLOWING FOR SHARING OF UNUSED  
CAPACITY FOR CDBG-FUNDED PUBLIC SERVICE ACTIVITIES WITHIN A GIVEN  
PROGRAM YEAR AMONG OTHER PARTICIPATING JURISDICTIONS IN THE  
“URBAN COUNTY” OF SAN LUIS OBISPO

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WHEREAS, federal regulations governing the community Development block Grant (CDBG) Program limit the amount of CDBG funds that can be spent in any one program year on public service activities to a maximum of 15 percent of a recipient’s annual allocation; and

WHEREAS, the City of Paso Robles (City) is part of an entity defined by the U.S. Department of Housing and Urban Development (HUD) as an “urban county”, which was formed via a Cooperation Agreement between the City and the County of San Luis Obispo (County), under which the County is the “recipient” of CDBG funds, and the City is a “subrecipient”; and

WHEREAS, said Cooperation Agreement provides that the City is entitled to receive and program the same amount of CDBG funds that it would have received had it not joined the urban county and provides that the City also retains the right to use up to 15% of its annual allotments of CDBG funds for public service activities; and

WHEREAS, HUD is concerned that the urban county as a whole does not use more than 15 percent of the county-wide total amount of CDBG funds allocated in any “program year” for public service activities; within the urban county, if a participating jurisdiction does not allocate any of its CDBG funds for public service activities, another jurisdiction can allocate more than 15 percent of its funds for public service activities so long that the sum of CDBG funds used by the various participating jurisdictions does not exceed 15 percent of the county-wide total of CDBG funds in a given program year; and

WHEREAS, an informal practice of public service activity capacity sharing has operated in the urban county for several years without any apparent problems and, the City Council recognizes that there may foreseeably be instances in which the City could benefit from this practice, as being the recipient of unused capacity for public service activities from other jurisdictions; and

WHEREAS, the City Council recognizes that, under a practice of public service activity capacity sharing among urban county jurisdictions, and in instances where the City Council did not initially allocate the full 15 percent of the City’s annual allocation of CDBG funds to public service activities in any given program year, it is possible that the City may have to forego the ability to make future reallocations of CDBG funds from the same program year to public service activities, as the necessary capacity may have been used by another jurisdiction in the urban county.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of Paso Robles does hereby find and determine that the benefits of participating in a practice of sharing unused capacity for CDBG-funded public service activities outweigh the liabilities of possibly having to forego the opportunity to reprogram additional CDBG funds from a given program year to public service activities at some time after the initial programming.

SECTION 2. The City Council of the City of Paso Robles does hereby order that, for each CDBG program year, following the public hearing at which the City Council makes its annual allocation of CDBG funds, should the Council choose to allocate less than 15 percent of its annual allocation of CDBG funds to public service activities, City staff is authorized to notify the County of San Luis Obispo that unused capacity for public services exists for other participating jurisdictions in the urban county to use.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 5<sup>th</sup> day of February 2002 by the following vote:

AYES: Finigan, Heggarty, Nemeth, Picanco and Mecham  
NOES: None  
ABSENT: None  
ABSTAIN: None

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Frank R. Mecham, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk