

*Priorities for Expenditures of  
Community Development  
Block Grant Funds*

*FY 2012-13*

*January 10, 2012*

*Item # 4.2*

# Mayor and Council Direction

The City Council approved the Mayor's Budget Message in June with the following recommendations:

- Return to the Council with a Recommendation that Links CDBG Funding with City Priorities
- Nonprofit community should plan for zero

# Current Environment

- CDBG

- High of \$13 million – now \$8 million

- Redevelopment

- SNI – lost 33 staff and \$44 million

# Process to Date

- Community Meetings
- Council Committee Presentations
- HCDC
  - October Meeting
  - December 1<sup>st</sup>
- City Council – 1/10/12

# Consolidated Plan

- Identified Priorities:

- Affordable Housing
- Homelessness
- Basic Services, Blight Elimination, Strengthen Neighborhoods
- Economic Opportunity
- Fair Housing
- Economic Sustainability

# Proposed Response

- Importance of Nonprofit Partnership
- Strategic Expenditures
- CDBG as a Catalyst
  - City Programs
  - Other Funding
  - Partnerships

# Funding Allocation – HUD Rules

- Administration – Up to 20%
  - Can Include Fair Housing, Planning Activities
- Public Service – Up to 15%
- Community Development – 65% – 100%

# Proposed Program

- 20% for Administration Including Fair Housing
  - Significant Cut to City Administration Proposed
  - More Money for Public Service
- 15% Public Service
  - Still Reserved for Nonprofits
- \$2.3 Million for Section 108 Debt Service
- Remaining Funds for CDI
  - Both City and Nonprofit Programs Funded

# Administration, Fair Housing, and Planning Recommendation

Use	# of Contracts	Recommendation
Fair Housing Collaborative	1	\$385,000
Program Administration <ul style="list-style-type: none"> <li>▪ Housing Department</li> <li>▪ Finance Department</li> <li>▪ PRNS Grant Mgmt</li> <li>▪ Nonprofit Platform</li> <li>▪ PBCE CEQA Review</li> <li>▪ Legal Services</li> <li>▪ Retirement Services</li> </ul>		\$1,303,793
<b>TOTAL</b>	<b>1</b>	<b>\$1,688,793</b>

# Proposed Program – Public Service

Use	# of Contracts	Recommendation
Foreclosure Response	2	\$300,000
Homelessness	3	\$467,000
Senior Services	2	\$200,000
Neighborhood Targeted Services	3	\$300,000
<b>TOTAL</b>	<b>10</b>	<b>\$1,267,000</b>

# Community Development Improvements Funding Recommendation

Use	# of Contracts	Recommendation
Blight Elimination*	1	\$1,300,000
Neighborhood Clean Up*	1-2	\$200,000
Neighborhood Improvements*	3	\$1,504,000
Housing Rehabilitation	1	\$2,125,000
Housing Minor Repair	1	\$400,000
Section 108 Debt Service OR CDI Projects	0-5	\$1,960,000
<b>TOTAL</b>	<b>7-13</b>	<b>\$7,489,000</b>

\* Targeted to Place Based Neighborhoods

# Proposed Program – Place Based Neighborhood Strategy

- Place Based Neighborhood Strategy Targeted initially to three areas
  - Franklin McKinley/Santee
  - Mayfair
  - Brookwood Terrace/Five Wounds
- Ready other Neighborhoods for Future Action

# Proposed Program – Place Based Neighborhood Strategy (cont.)

- Targeted Programs:
  - Blight Abatement (reduced funding)
  - Infrastructure
  - Neighborhood Clean Up

# Proposed Program – Linkage to Other Programs/Funds

- City Programs, including:
  - ESG
  - BEST
  - Work2future
  
- Other Partners/Funders include:
  - FDIC
  - Banks/Foundations
  - Corporations

# Citywide Programs

- City Administered
  - Housing Rehabilitation – including mobilehome rehabilitation
- Nonprofit Administered
  - Minor Housing Repair (nonprofit administered)
  - Foreclosure Assistance
  - Fair Housing

# Conclusion

- Responding to Council Direction
  - Tied to Priorities
  - Future GF Savings
- More Strategic Use of Limited Funds
  - Ability to Access Other Funds
  - Coordination with Other City programs
- Recognition of Funding Constraints
- Commitment to Nonprofit Partnerships
- Manageable Given Reductions in Administration

# Next Steps

- RFPs Released in late January
- RFP Applications Due/Application Review – February-March
- Consolidated Plan Released/Public Hearing Process March-May
- Consolidated Plan due to HUD May 15<sup>th</sup>
- Implementation on July 1st