

*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 1st
- 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"> ▪ Housing Department ▪ Finance Department ▪ PRNS Grant Mgmt ▪ Nonprofit Platform ▪ PBCE CEQA Review ▪ Legal Services ▪ Retirement Services 		\$1,303,793
TOTAL	1	\$1,688,793

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
TOTAL	10	\$1,267,000

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
TOTAL	7-13	\$7,489,000

* 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 15th
- Implementation on July 1st