

RESOLUTION NUMBER R- 300815

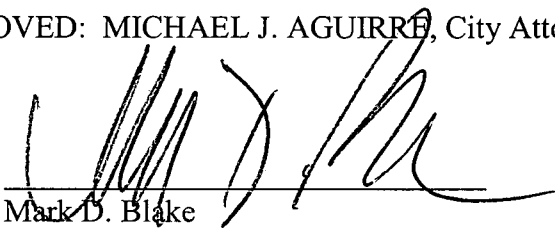
ADOPTED ON SEP 12 2005

BE IT RESOLVED by the Council of the City of San Diego, that the recommendations (attached hereto) contained in City Manager Report No. 05-178 relating to Council Policy 700-02, dated April 15, 2005, as unanimously approved by the Committee on Rules, Finance and Intergovernmental Relations on April 20, 2005, and on file in the office of the City Clerk as Document No. RR- 300815, are hereby accepted and approved.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed, in consultation with the City Attorney, to make such changes and amendments to any funding agreements and the agency operating agreements, including the agreements with the Southeastern Economic Development Corporation, the Centre City Development Corporation, the San Diego Housing Commission, the San Diego Convention Center Corporation and the San Diego Data Processing Corporation, as may be necessary or advisable to conform such agreements to the recommendations approved hereby and that such changes go into effect as soon as practical.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By


Mark D. Blake
Deputy City Attorney

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Or.Dept:FM
R-2006-178

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY**CURRENT**

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)
POLICY NO.: 700-02
EFFECTIVE DATE: June 25, 1996

BACKGROUND:

The Housing and Community Development Act of 1974 established the Community Development Block Grant Program. The enabling legislation has been reviewed and amended by Congress every three years since 1974. The purpose of the CDBG program is to provide an annual source of funds to local governments for the purpose of implementing activities to develop viable urban communities, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Federal administration of the program is the responsibility of the U.S. Department of Housing and Urban Development. The City of San Diego has participated in the program since its inception.

PURPOSE:

To establish the general guidelines by which the City will select and implement activities utilizing Community Development Block Grant funds.

POLICY:

It is the policy of the City Council to allocate Community Development Block Grant funds in accordance with the following standards.

1. Selection and implementation of program activities that meet the Congressional intent of the program and the specific eligibility requirements as outlined by the U.S. Department of Housing and Urban Development.
2. Priorities of the Capital Improvements Program will be developed irrespective of whether or not the City is to receive Community Development Block Grant funds. Community Development Block Grant funds if received are to be used to supplement the City's Capital Improvements Program and not as a substitute for other City funds.
3. Funding will be allocated on a Fiscal Year basis (July 1 through June 30).
4. Allocation of Community Development Block Grant entitlement funds will be on a formulated basis, with 60% of the annual entitlement going to individual Council Districts and 40% allocated on a City-Wide basis. The percentage of funds each Council District will receive is based upon the number of low/mod individuals in each Council Districts when compared to the low/mod income population of the entire City. Data from the most recent census will be used to determine the percentage each Council District will receive.
5. Allocate 15% of each year's Community Development Block Grant entitlement funds to be expended for social services as defined in the applicable U.S. Department of Housing and Urban Development regulations.

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COUNCIL POLICY

CURRENT

6. The City occasionally provides "core" assistance to community development corporations to sustain a permanent basic staff capability to identify and advocate for the solution to community issues. The funding is generally used to maintain an office and permanent staff to carry out activities such as publishing a newsletter, identifying and addressing neighborhood issues, conducting community events and acting as an advocate for community empowerment. It is the policy of the Council to require CDCs to open their membership to the residents, businesses, and property owners of the communities served and require the Board to be elected by the membership, as a condition for eligibility to receive core operating support from the city.
7. A target of 20% of the annual Community Development Block Grant entitlement to be used for affordable housing purposes is hereby established. In addition, 100% of the housing loan repayments are pledged to the Housing Trust Fund for affordable housing purposes.
- The targeted goal of 20% for affordable housing purposes can be specified projects and/or made available to the Housing Trust Fund at the discretion of the City Council.
8. With the exception of City departments or agencies, which are governed by the City's Administrative Regulations on meals and travels CDBG funds may not be used for travel, meals, lodging, alcoholic beverages or entertainment expenses for administrative purposes. However, certain of these types of expenses may be pre-approved by the City when they are part of the core purpose of a program, such as a shelter, nutrition program, at-risk youth program, or other eligible program. CDBG funds may not be used for alcoholic beverages under any circumstances
9. Any organization receiving \$500,000 or more of funding from the City of San Diego, when that funding represents more than 10 percent of the organization's annual budget, must include in their applications salary and wage ranges for each of their job classifications, including actual executive salaries and benefits packages applicable for the contract period, during the annual budget process each fiscal year. Organizations receiving less than \$500,000 annually may voluntarily comply with these disclosure requirements.
10. Financial disclosure information shall be required of all funding recipients receiving \$10,000 or more in City funds. Organizations receiving funding shall provide the Contract Administrator, each year, copies of true, accurate and complete financial disclosure documentation evidencing the financial status of the organization's last complete fiscal year within ninety (90) days of the end of that fiscal year.
- All organizations receiving funding in the amount of \$10,000 or more shall submit the following documents:
- a) A statement of the expenditure of City funds by program to be identified in the same expenditure classifications as contained in the final budget and compared with the budgeted amounts.
 - b) A statement of revenues and expenditures and a balance sheet of all funds received by the organization.

If City funding is \$75,000 or greater, audited financial statements, including items a and b above, must be prepared in accordance with generally accepted accounting principles (GAAP) and audited by an independent Certified Public Accountant, in accordance with generally accepted auditing standards (GAAS) and submitted to the Contract Administrator within one hundred-fifty (150) days of the end of that fiscal year. The Contract Administrator may grant extensions of up to thirty (30) days to these deadlines when deemed necessary, upon written request by the funded organization.

11. Contractors shall ensure that Single Audits are completed within one hundred eighty (180) days of the termination of the contract period. For contractors completing audits by calendar year rather than fiscal year, audits shall be completed within one hundred eighty (180) days of December 31st. Individual projects funded by the City of San Diego must be clearly identified in the audit reports, as well as the dollar amount allocated to the project by the City. In accordance with the Single Audit Act of 1984 pertaining to recipients of Federal funds, all contractors who expend \$500,000 or more (or the current Federal threshold) in total Federal funding from all sources in a year shall have an annual single audit conducted in accordance with Federal Office of Management and Budget (OMB) Circulars A-110, and A-133. Contractors shall provide the City with a copy of the single audit within fifteen (15) days of receiving the report.
12. An organization receiving funding support will permit the City to inspect all books and records at any time and to perform or require audits the City reasonably desires. City shall periodically monitor records of contracting organizations.

HISTORY:

"Leasing of City-owned Property in Industrial Park"
 Adopted by Resolution R-174133 01/10/1963
 Repealed by Resolution R-208090 06/05/1973
 "Community Development Block Grant Program (CDBG)"
 Adopted by Resolution R-259072 08/15/1983
 Amended by Resolution R-281638 03/22/1993
 Amended by Resolution R-282395 07/26/1993
 Amended by Resolution R-287559 06/25/1996