

RESOLUTION NUMBER R- 305413

DATE OF FINAL PASSAGE NOV 24 2009

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AMENDING COUNCIL POLICY NO. 700-02
(COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM) AND DIRECTING CITY STAFF REGARDING
MATTERS CONCERNING THE COMMUNITY
DEVELOPMENT BLOCK GRANT PROGRAM

WHEREAS, the Housing and Community Development Act of 1974 established the
Community Development Block Grant [CDBG] Program, which is administered by the
U.S. Department of Housing and Urban Development [HUD]; and

WHEREAS, the goal of the CDBG Program is to develop viable urban communities
through the provision of decent housing, suitable living environments, and economic activities
for persons of low and moderate income; and

WHEREAS, the City Council Policy 700-02 establishes standards and guidelines
according to which the City selects and implements activities utilizing CDBG funds; and

WHEREAS, the City Council adopted Council Policy No. 700-02 on August 15, 1983
(Resolution No. R-259072), and subsequently amended Council Policy No. 700-02 on
March 22, 1993 (Resolution No. R-281638), July 26, 1993 (Resolution No. R-282395),
June 25, 1996 (Resolution No. R-287559); and January 29, 2008 (Resolution No. R-303367);
and

WHEREAS, HUD reviews have concluded that the City needs to improve the
administration of its CDBG Program; and

WHEREAS, on April 1, 2009, the Public Safety & Neighborhood Services Committee held a workshop on the City's CDBG Program and directed that a Working Group be formed to develop reforms to improve the administration of the City's CDBG Program; and

WHEREAS, the CDBG Working Group was formed and developed recommendations to implement reforms to improve the administration of the City's CDBG Program; and

WHEREAS, on September 24, 2009, the City Council accepted the CDBG Working Group's recommendations as set forth in the Report to City Council, "Report from the Community Development Block Grant [CDBG] Internal Working Group on Program Reforms," to amend Council Policy No. 700-02 to:

1. Set funding priorities in the Consolidated Plan;
2. Eliminate Council District allocations and discontinue the 60%/40% split of annual allocations;
3. Pay annual Section 108 debt "off the top" prior to funding being made available to address the Consolidated Plan's goals;
4. Pay annual administration and Fair Housing expenses "off the top" prior to funding being made available to address the Consolidated Plan's goals;
5. Require a \$50,000 minimum funding level for non-capital and economic development activities;
6. Require a \$100,000 minimum funding level for capital improvement projects;
7. Eliminate phased funding and give priority to projects where CDBG funding will complete the project;
8. Open up the public services category to eligible applicants on an annual basis; and
9. Establish a CDBG Citizens Advisory Committee.

WHEREAS, on September 24, 2009, the City Council approved the aforementioned recommendations, pursuant to Resolution No. R-305273, with the following modifications:

1. Recommendation "Reform 2" will include an analysis of total allocations by District with a comparison of prior year allocations;
2. Recommendation "Reform 6" will include a waiver provision for lesser amounts of money; and
3. Recommendation "Reform 9" to be amended such that the Citizen's Advisory Committee's role shall be to work on the Consolidated Plan and include CDBG.

WHEREAS, on September 24, 2009, the City Council directed the CDBG Working Group to work with the City Attorney's Office to develop proposed revisions to Council Policy 700-02 to implement the CDBG Working Group recommendations, as modified; and

WHEREAS, on September 24, 2009, the City Council directed the CDBG Working Group to return to the City Council for final approval of proposed revisions to Council Policy 700-02; and

WHEREAS, the CDBG Working Group provided proposed revisions to Council Policy 700-02 in Report to the City Council No. 09-159; and

WHEREAS, on November 16, 2009, the City Council held a hearing to consider the CDBG Working Group's proposed revisions to Council Policy 700-02 as contained in Report to the City Council No. 09-159; and

WHEREAS, on November 16, 2009, the City Council adopted the CDBG Working Group's proposed revisions to Council Policy 700-02 as contained in Report to the City Council No. 09-159, with the following modification: Section 4 of Council Policy 700-02 shall read: "Funding for the repayment of HUD Section 108 loans will be taken from the City's overall

annual allocation prior to funding being made available to address other Consolidated Plan goals.

CDGB funds shall not be used for new Section 108 loans.”

NOW, THEREFORE,

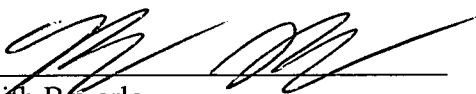
BE IT RESOLVED, by the Council of the City of San Diego, that Council Policy No. 700-02, entitled, “Community Development Block Grant Program [CDBG],” is hereby amended as set forth in the attached Council Policy and filed in the Office of the City Clerk as Document No. RR- 305413.

BE IT FURTHER RESOLVED, that the City Clerk is instructed to add the aforesaid to the Council Policy Manual.

BE IT FURTHER RESOLVED, that City staff is directed to provide the City Council an analysis of total allocations by District with a comparison of prior year allocations.

BE IT FURTHER RESOLVED, that the CDBG Working Group is directed to return to City Council with information and recommendations regarding the composition of the Consolidated Plan Citizens Advisory Board in the spring of 2010.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Keith Bauerle
Deputy City Attorney

KB:hm
11/03/09
11/04/09 COR.COPY
11/17/09 REV.COPY
Or.Dept:Econ&Dev.
R-2010-349
MMS#10467

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 16 2009.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 11-24-09
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)
POLICY NO.: 700-02
EFFECTIVE DATE: November 24, 2009

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 (HUD). 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. Funding will be allocated on a Fiscal Year basis (July 1 through June 30).
3. Funding priorities will be based on the City's 5-year Consolidated Plan and prioritized by the City Council annually.
4. Funding for the repayment of HUD Section 108 loans will be taken from the City's overall annual allocation prior to funding being made available to address other Consolidated Plan goals. CDGB funds shall not be used for new Section 108 loans.
5. Funding in the categories of "Planning and Administration" and "Fair Housing" will be taken from the City's overall annual allocation prior to funding being made available to address other Consolidated Plan goals.

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NOV 16 2009
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SAN DIEGO, CALIFORNIA

6. No allocation of CDBG funds will be made to an economic development or non-capital project of less than \$50,000.
7. No allocation of CDBG funds will be made to a capital project of less than \$100,000, unless funding at a lesser amount is necessary to complete a project and the project will be completed within 18 months.
8. Priorities of the City's 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.
9. No allocation of CDBG funds will be made to projects that are phased over multiple years. (It is the intent of the City Council that this policy serve to ensure that priority be given to projects where the funding will complete the project.)
10. A portion of the funds in the category of "Planning and Administration" will be allocated for the purpose of capacity building in order to ensure that emerging non-profit organizations have the opportunity to qualify for future CDBG funding.
11. No allocation of CDBG funds will be made to a project for which a CDBG application has not been received by the City.
12. A Community Based Development Organization (CBDO) certification process will be conducted in an effort to fund eligible project activities, as defined in the applicable U.S. Department of Housing and Urban Development regulations.
13. No allocation of CDBG funds will be made to a subrecipient project in the category of "Planning and Administration," except for those subrecipients certified by the City as a Community Based Development Organization.
14. All CDBG applicants shall attend mandatory workshops hosted by City staff during the annual CDBG application period.
15. All CDBG funds allocated to projects shall be used within 18 months of the date of the allocation, or such funds will be subject to reprogramming by the City Council.
16. The public services category of activities shall be open to all eligible applicants, including City programs. A portion of the public service funds shall be set aside for the City's homeless programs that require funds to match other grants.
17. Beginning with Fiscal Year 2012 allocations, a Consolidated Plan advisory board will review applications and provide recommendations to the Council.

R- 305413

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

Amended by Resolution R-303367 - 02/11/2008