

COUNCIL POLICY

SUBJECT: USE OF URBAN DEVELOPMENT ACTION GRANT (UDAG) REVENUE
POLICY NO.: 100-09
EFFECTIVE DATE: January 30, 1984

BACKGROUND:

The City became eligible in 1981 for Urban Development Action Grant assistance. Such eligibility resulted from approval by the United States Department of Housing and Urban Development (HUD) of the City's designated UDAG "Pocket-of-Poverty." This eligibility enables the City to submit UDAG applications to HUD. UDAG funds, along with City matching funds, are loaned to the private sector for economic development and neighborhood revitalization projects. HUD regulations provide for private sector repayments to the City of grant funds and City matching funds. These repayments (UDAG Revenue) are to be used for the benefit of low-and moderate-income residents of the pocket-of-poverty. HUD further requires that such revenue be sent for economic and physical development activities eligible under Title I of the Housing and Community Development Act of 1974.

PURPOSE:

To establish policy relative to the use of private sector repayments of loans of UDAG fund and City matching funds.

POLICY:

UDAG revenues will be used only for those eligible economic and physical development activities which clearly benefit low-and moderate-income residents of the pocket-of-poverty. Projects which have the greatest potential for creating permanent jobs will be funded in advance of other less essential needs. UDAG revenue shall be used to supplement, not supplant, other City funds.

IMPLEMENTATION:

The City Council will select specific projects for funding by UDAG revenue concurrently with the annual CDBG application development process. The City Manager, in presenting candidate projects for City Council consideration, will specify the amount of UDAG revenue available and will identify those pocket-of-poverty projects recommended for funding with such revenue. UDAG revenue will be accounted for separately from other funds.

HISTORY:

Adopted by Resolution R-260038 01/30/1984