

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

**CURRENT**

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.

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.
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.

**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

Amended by Resolution R-305413 - 11/24/2009