CITY OF SAN DIEGO, CALIFORNIA

COUNCIL POLICY

CURRENT

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)
POLICY NO.: 700-02
EFFECTIVE DATE: February 11, 2008

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 an 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.

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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.

6. 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.

7. No allocation of CDBG funds will be made to a project for which a CDBG application has not been received by the City.

8. No allocation of CDBG funds will be made to a project of less than $25,000, unless funding at a lesser amount is necessary to complete a project. (It is the intent of the City Council that this policy serve to reduce the total number of CDBG-funded contracts annually.)

9. 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.

10. No allocation of CDBG funds will be made to a subrecipient project in the category of "Planning," except for those subrecipients certified by the City as a Community Based Development Organization.

11. All CDBG applicants shall attend mandatory workshops hosted by City staff during the annual CDBG application period.

12. All CDBG funds allocated to projects shall be used within three years of the date of the allocation, or such funds will be subject to reprogramming by the City 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