

Background

In 2010 the City of San Diego and the former Redevelopment Agency executed a CDBG Repayment Agreement to address findings from the Office of Inspector General (OIG) of the Department of Housing and Urban Development (HUD). The City's CDBG Program was to receive roughly \$78 million in escalating repayments starting in Fiscal Year (FY) 2010 and ending FY 2019. The City received payments until FY 2014 when the State of California's Department of Finance (DOF) suspended approval of the payments. In October 2015, Senate Bill 107 authorized the DOF to approve obligations made with the federal government, such as those with HUD and the City's CDBG Repayment Agreement.

City staff is examining the new legislation and working on projections for the amounts that may be available over the next 5-7 years as CDBG Repayments. While there are a significant number of variables that influence how much will be actually be received and when, staff is preparing plans in anticipation of receiving funds for FY 2017.

Under direction from HUD, the City will conduct a Substantial Amendment to City's approved FY 2015-2019 Consolidated Plan for HUD Programs (Con Plan). As such, the City will continue to invest in the Priorities & Goals outlined in the Con Plan:

1. Enhance the City's economic stability and prosperity by increasing opportunities for job readiness and investing in economic development programs.
2. Strengthen neighborhoods by investing in the City's critical public infrastructure needs.
3. Improve housing opportunities by creating and preserving affordable rental and homeowner housing in close proximity to transit, employment and community services.
4. Assist individuals and families to stabilize in permanent housing after experiencing a housing crisis or homelessness by providing client-appropriate housing and supportive service solutions.
5. Invest in community services and non-profit facilities that maximize impact by providing new or increased access to programs that serve highly vulnerable populations such as youth, seniors and food insecure households.
6. Meet the needs of persons with HIV/AIDS and their families through the provision of housing, health, and support services.

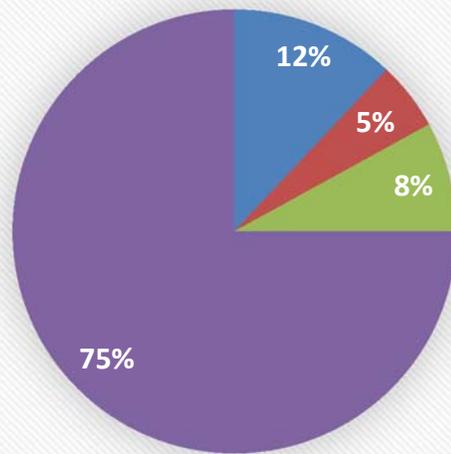
Additionally, the City will utilize these **one-time funds** to achieve the following:

- 1. Stabilize the City's Existing CDBG Entitlement Allocation**
 - Stabilize the City's annual CDBG Program at \$12 million to help nonprofits better plan for Public Service, Community/Economic Development, and Nonprofit Capital Improvement projects, in the years to come.
 - Provide resources for a Nonprofit Accelerator Program to expand the capacity of new and small nonprofits to effectively utilize the City's resources as well as attract private funding.
- 2. Create Workforce Training Opportunities that Serve Vulnerable Populations**
 - Challenge Grant: Funding made available to nonprofit providers for new opportunities for Youth Workforce Training and Veterans Services.

3. Investments in the Core Goals of Economic Development, Affordable Housing, and Critical Neighborhood Infrastructure and Create Sustainable Community Development Funds:

- **Expanded Economic Development Opportunities in Underserved Neighborhoods**
Economic Development Revolving Loan Funds: Pool of funds to expand fiscal incentives for micro and small business expansion, job creation, and investment within underserved neighborhoods.
- **Increasing Affordable Housing Assistance for Low Income Homeowners and Homelessness Individuals**
Affordable Housing Revolving Loan Funds: Pool of funds to assist low income homeowners, homeless individuals, and homebuyers.

Substantial Amendment Budgetary Priorities



- Annual Stabilization
- Admin and Nonprofit Accelerator
- Challenge Grant
- Core Goals: Economic Development, Affordable Housing, and Infrastructure