CDBG Subcommittee

CDBG and CDBG-CV Funding Allocations

June 15, 2020
Direction from 5/21 Subcommittee

• What activities are eligible?
• What flexibilities are available?
• How are others using these funds?
• Explore new activities:
  • Housing
  • Senior Services
  • Domestic Violence
  • Small Business
  • Food delivery
  • MUSD assistance
CDBG: What activities are eligible?

• Eligible activity according to regulations
• Meets a “National Objective”
• COVID-19: Must prevent, prepare for, and respond to the coronavirus
CDBG: Eligible Activities

- Acquisition of Real Property
- Disposition
- Public Facilities & Improvements
- Clearance and Remediation
- Public Services
- Interim Assistance
- Relocation
- Loss of Rental Income
- Housing Services
- Privately-owned utilities
- Rehabilitation and preservation
- Construction of Housing
- Code Enforcement
- Special Economic Development Activities
- Microenterprise Assistance
- Special Activities by CBDOs
- Homeownership Assistance
- Planning and Capacity Building
- Program Administration
- Miscellaneous Other
CDBG: Ineligible Activities

- Buildings used for government
- General government expenses
- Political activities
- Purchase of equipment

- Operating and maintenance expenses
- New housing construction
- Income payments
1. Benefits low- and moderate income persons;

2. Eliminates or prevents slum or blight;

3. Meets other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs. (Does not apply to COVID-19.)
CDBG Formula Funding Buckets

15%  20%  65%

Public Services  Administration  Capital Projects
COVID-19 Activities are Flexible

15% Gap 20%

Public Services  Administration  Capital Projects
CARES Act Flexibility for CDBG

• No public service cap for COVID-19 activities
• Substantial amendments are easier
• Citizen Participation waiver
• Availability of CDBG-CV funds
• Availability of unused prior year funding
### How are other Cities using CDBG?

<table>
<thead>
<tr>
<th>Category</th>
<th>Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent Relief</td>
<td>Gilroy, Mountain View, Palo Alto, Santa Clara, Sunnyvale</td>
</tr>
<tr>
<td>Homelessness Prevention</td>
<td>Cupertino, Palo Alto, Santa Clara, Urban County</td>
</tr>
<tr>
<td>Senior Services</td>
<td>Cupertino, Palo Alto, Santa Clara, Urban County</td>
</tr>
<tr>
<td>Small Business Relief/Job Retention</td>
<td>Cupertino, Gilroy, San Jose</td>
</tr>
<tr>
<td>Emergency Repairs</td>
<td>Cupertino, San Jose, Santa Clara</td>
</tr>
<tr>
<td>Food access</td>
<td>Palo Alto, San Jose, Santa Clara</td>
</tr>
<tr>
<td>Shelter/Hotel Vouchers</td>
<td>San Jose, Urban County</td>
</tr>
</tbody>
</table>
Program Administration

• 20% of CDBG funds for administration
  – Fair housing services: Project Sentinel
  – Overall CDBG program management and coordination: City’s administrative costs to manage CDBG program (staff time)
## Available Funds - Updated

<table>
<thead>
<tr>
<th></th>
<th>CDBG-CV</th>
<th>CDBG 2014-18 Formula (Prior Years)</th>
<th>CDBG 2020-21 Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>COVID</td>
<td>$397,911</td>
<td>$290,039</td>
<td>$676,413</td>
</tr>
</tbody>
</table>

**Total:** $1,364,363
Next Steps

• Funding recommendations  
  June 15

• City Council – Small Business and Rent Relief  
  June 16

• City Council – Annual Action Plan Allocation  
  June 23
  – Amend FY 19-20 Annual Action Plan
  – Draft FY 20-21 Annual Action Plan

• City Council – Substantial amendments to Consolidated Plan and Citizen Participation Plan  
  June 30
CDBG and CDBG-CV Allocations

[See spreadsheet]