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OAKLAND

2009 MAY 14 PM 6:37

# CITY OF OAKLAND

## AGENDA REPORT

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: May 26, 2009

RE: **An Informational Report On Amending The Consolidated Plan Annual Action Plan For Housing And Community Development For Fiscal Year 2008-2009 To The U.S. Department Of Housing And Urban Development; 2) Authorizing The City Administrator To Accept And Appropriate Funds Totaling \$2,259,921 For The Community Development Block Grant Program from the American Recovery and Reinvestment Act of 2009 and 3) Authorizing the City Administrator to Negotiate and Execute Agreements with Contractors for Fiscal Years 2009-2011 for the Community Development Block Grant**

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### SUMMARY

This is an informational report for discussion by City Council for future approval of a resolution authorizing the City Administrator to amend the Consolidated Plan Annual Action Plan for Housing and Community Development for Fiscal Year 2008-09 to the U.S. Department of Housing and Urban Development (HUD); to accept and appropriate funds totaling \$2,259,921 for the Community Development Block Grant (CDBG) Program from the American Recovery and Reinvestment Act of 2009 (Recovery Act) and ; authorizing the City Administrator to negotiate and execute agreements with contractors for Fiscal Years 2009-2011 for the Community Development Block Grant.

### FISCAL IMPACT

The resolution will accept and appropriate \$2,259,921 for the FY 2008-09 budget from the American Recovery and Reinvestment Act (ARRA) allocation from HUD. The grant funds for the CDBG Recovery Act funds (CDBG-R) will be appropriated into HUD-CDBG (Fund 2108, Org 88949, Project to be Determined).

### BACKGROUND

On May 4, 2009, HUD issued the notice of implementation for the \$1 billion allocation of the CDBG-R funds. The formulas for the allocation of CDBG-R funds are the same as the formulas used for the annual allocation of CDBG funds.

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City Council  
April 21, 2009

**KEY ISSUES AND IMPACTS**

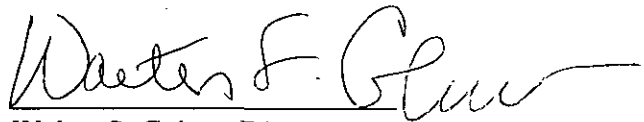
The City of Oakland has been allocated \$2.25 million for CDBG-R. In order to receive the CDBG-R allocation, the City of Oakland must submit to the HUD local office by June 5, 2009, a Substantial Amendment Action Plan to the Consolidated Annual Action Plan for FY 2008-09.

The Recovery Act contains language which, while not stating explicit mandates, makes clear that Congress intends the use of ARRA appropriations to be targeted to address current economic conditions. For example, Section 1602 of the ARRA states that, "Recipients shall use grant funds in a manner that maximizes job creation and economic benefit."

While the City has the full range of CDBG eligible activities at its disposal for CDBG-R, Congress clearly intends that CDBG-R be primarily be invested in economic development, housing, infrastructure and other public facilities activities that will quickly spur further economic investment, increased energy efficiency, and job creation or retention.

The Resolution and Substantial Amendment to the Consolidated Action Plan with complete information on the proposed projects funded by CDBG-R will be provided in the full report submitted for the June 2, 2009 City Council meeting as a Public Hearing.

Respectfully Submitted,



Walter S. Cohen, Director  
Community and Economic Development Agency

Prepared by:  
Michele Byrd, Manager  
CDBG Program

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City Administrator

Item: \_\_\_\_\_  
CED Committee  
May 26, 2009