



CITY OF OAKLAND

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OAKLAND

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AGENDA REPORT

**TO: DEANNA J. SANTANA
CITY ADMINISTRATOR**

FROM: Fred Blackwell

**SUBJECT: Supplemental Report on
Restructure of CDBG District Boards**

DATE: October 1, 2012

City Administrator
Approval

Date

10/4/12

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Staff recommends that the City Council adopt:

A Resolution Authorizing The City Administrator To Restructure the Community Development Block Grant District Boards; and Rescinding Any Inconsistent Provisions Of Resolutions No. 76276 And 78102

BACKGROUND

During the September 25, 2012 Community and Economic Development (CED) Committee meeting, the Committee briefly discussed the staff's recommendation to restructure the CDBG District Boards. Staff is submitting a supplemental report to reiterate the rationales and provide additional information for its recommendation to restructure the seven Community Development (CD) District Boards into a 15- member Citywide Advisory Board.

The rationales for staff to make these recommendations are:

- On June 3, 2011, the Community Development Block Grant (CDBG) allocation was reduced by approximately 17 percent, a decrease of \$1.5 million from the FY 2010-11 entitlement grant.
- On July 19, 2011, the Oakland City Council authorized the submission of a revised Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) that reflected the reduced program allocations. The Council accepted staff's recommendation for an across-the-board reduction in proposed allocations since a

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substantial amount of time and work had been invested in the CDBG District Board recommendation process.

- The Council directed that given the likelihood of additional cuts to the CDBG budget in FY 2012-13, staff should initiate an evaluation process over the FY 2011-12 year to review the CDBG recommendation process and to establish a policy direction for making future funding decisions.
- The Council agreed that it wishes to retain some form of citizen participation but suggested staff make a determination as to what would be the most efficient process.
- A recent trend is a decrease in participation to the point that the level of attendance in some Districts is below the quorum required in the current Rules and Procedures, and the City Attorney has expressed concern that the actions taken by Boards without a full quorum do not constitute an official funding.
- The rationale of staff's recommendation are due to limited staff resources to maintain seven (7) CD District Boards, the decrease in participation of the CD District Boardmembers, to the point that the level of attendance in some Districts is below the quorum required in the current Rules and Procedures. The City Attorney has expressed concern that the actions taken by Boards without a full quorum do not constitute an official funding recommendation.
- Due to the continuous CDBG budget restraints, HUD has recommended that the City's CD District Boards and its citizen participation and funding recommendation processes move to a more streamline procedure.

Although, the U.S. Department of Housing and Urban Development (HUD) Regulations for the CDBG program encourage citizen participation entities, HUD only requires two public hearings each program year. Therefore, the City can exercise the option to replace the seven CD District Boards with a centralized Citywide Advisory body and still be in compliance with HUD Regulations.

Staff has conducted a survey on five Bay Area cities and has outlined the different policies and procedures of each city's citizen participation plan for the Community Development Block Grant programs.

City Surveyed	CDBG Process
1. City and County of San Francisco	The Mayor's Office of Community Development (MOCD) is the lead agency responsible for the consolidated submission and reporting to HUD. The Citizen's Committee Community Development (CCCD) is a 16-member advisory body charged with public oversight of MOCD and the Mayor's Office of Housing (MOH). The CCCD holds public hearings, assist with the identification of community need and formulation of program priorities, makes funding recommendations on CDBG, ESG, and HOME programs to the Mayor, and oversees MOCD and MOH activity throughout the year.
2. City of San Leandro	The San Leandro Housing Services Division prepares a yearly calendar containing a schedule for the preparation of the Consolidated Plan. The schedule contains tentative dates for the preparation of the Plan along with dates for community meetings, public notices, public hearing, comment period start and end dates, and when the Plans are expected to be available to the public. Community meetings are held at various locations convenient to the public. The goal of the planning process is to have as many citizens as possible participate, the City sends out notices to individuals and organizations on the CDBG mailing list, post notices at neighborhood centers and other locations accessible to the public, and advertise in the newspaper, local television cable channel and local radio stations. The objective of these meetings is to explain the purpose and process of the ConPlan identify the needs in the community and clarify the vision san Leandro residents have for the City. The needs will be prioritized and goals, objectives, and activities developed by staff that will be incorporated into the Five-Year ConPlan.
3. City of Hayward	The City of Hayward's Citizen Advisory Commission (CAC) is the primary conduit for resident participation in all phases of the CDBG program and other programs funded by HUD. The CAC advises and makes recommendations to the City Council on the CDBG program including the identification of housing and community development needs, setting priorities, making recommendations regarding the annual allocation of CDBG funds, and amending Annual Action Plans. CAC members must be Hayward residents and are appointed by the City Council for four-year terms. The CAC includes low and moderate-income residents, representatives from non-English speaking groups, minority groups, and target neighborhoods. The CAC holds regular meetings in the evening that are noticed and open to the public. At these meetings, the CAC discusses CDBG-funded housing and community development activities and makes recommendations to the City Council, as appropriate. CAC meetings also provide an opportunity for community residents to participate in the assessment of current activities. The City of Hayward's Neighborhood Services Division staff supports the CAC and maintains records (agenda minutes, resolutions, etc.) for public review. To receive CDBG funding, organizations must attend an applicant workshop and complete and submit an application packet. City staff and the CAC review these materials and interview applicants. Both the CAC and City staff make advisory funding recommendations to the City Council. The City Council makes the final funding allocations.

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4. City of Richmond	The Citizen Participation Plan identifies the required activities to effectively administer the CDBG program. It will also provide guidance to the methods and practices used to develop and implement such activities. The Citizen Participation Plan provides for and encourages citizen participation in developing and amending its Consolidated Plan, the Annual Action Plan and the CAPER. When funding recommendations are determined by the Community Development Commission and presented to City Council through the City Manager, staff will submit funding recommendations to the City Council for approval.
5. City of Berkeley	Every two years, the City of Berkeley combines multiple sources of funds into one consolidated RFP and allocation process. These funds are used to support public services and capital projects that benefit people with incomes at 80% of Area Median Income or below. Housing and Community Services Department staff manages the RFP and allocation process and coordinates the review process for commissions participate in the Housing Advisory (HAC), Homeless, Human Welfare and Community Action (HWCAC) and Parks and Recreation Commissions. The Housing and Community Services Department staff implements a Request for Proposal online application process which allows applicants to apply via the internet and enables City staff and Commissioners to review proposals online. The City staff makes available, upon request, technical assistance to groups representing persons of low- and moderate-income (and other special needs) that request assistance in developing proposals for funding assistance under the CDBG funding process.

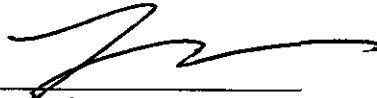
All of the above surveyed Cities have one Commission/Board that makes final recommendation how CDBG will be allocated throughout the various cities.

The total amount of anticipated FY 13-14 CDBG funds from grant proceeds, program income is \$7,810,530. In accordance with the allocations established by the City Council and consistent with the priorities in the Consolidated Plan and the requirements of the Federal grant programs, **Attachment A** summarizes the proposed allocation of FY 13-14 CBDG funds to address the priority needs. These allocations also reflect those which are included in the CDBG Request For Proposal (RFP) released on September 28, 2012.

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For questions regarding this report, please contact Lisa Brown, CDBG/Commercial Lending Manager, at (510) 238-2064.

Respectfully submitted,



Fred Blackwell
Assistant City Administrator

Reviewed by:
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Department of Housing and Community Development

Prepared by:
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Community Development Block Grant Programs

Attachment A: Summary of CDBG Funds

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COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FY 13-14 BREAKDOWN

ATTACHMENT A

CDBG Program	FY 13-14 Anticipated Program Income	FY 13-14 Anticipated Grant Amount	FY 13-14 Proposed Allocations	Maximum Public Service	Minimum Capital Improvement
	\$ 500,000	\$ 7,254,122			
Administration /Fair Housing			\$ 1,458,426		
Economic Development			\$ 902,371		
Homeless Services			\$ 485,550		
Housing			\$ 3,140,136		
HUD 108 Loan Repayment			\$ 237,000		
District Programs			\$ 1,587,047	\$ 600,000	\$ 987,047
District 1			\$ 128,551	\$ 48,600	\$ 79,951
District 2			\$ 265,037	\$ 100,200	\$ 164,837
District 3			\$ 284,081	\$ 107,400	\$ 176,681
District 4			\$ 96,810	\$ 36,600	\$ 60,210
District 5			\$ 303,126	\$ 114,600	\$ 188,526
District 6			\$ 236,470	\$ 89,400	\$ 147,070
District 7			\$ 272,972	\$ 103,200	\$ 169,772
TOTAL ANTICIPATED ALLOCATION			\$ 7,810,530		
<u>HUD Regulations</u>					
Public Service is only 15% of grant					
Adminstration Is only 20% of grant					