


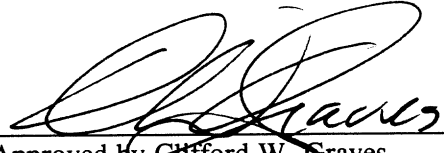


City of Carson Report to Mayor and City Council

March 16, 2011
New Business Consent

SUBJECT: CONSIDER A STATUS REPORT ON THE NEIGHBORHOOD PRIDE PROGRAM


Submitted by Clifford W. Graves
Economic Development General Manager


Approved by Clifford W. Graves
Interim City Manager

I. SUMMARY

This item is on the agenda at the request of Councilmember Davis-Holmes.

This report includes information on the current and past Neighborhood Pride Program (NPP) activities for the Community Development Block Grant (CDBG) funded residential rehabilitation program.

II. RECOMMENDATION

RECEIVE and FILE.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

Annual Statistics

The Consolidated Annual Performance and Evaluation Report (CAPER) documents each year's accomplishments in housing rehabilitation. An overview of program activities for the past five years is graphically displayed on Exhibit No. 1 and outlined as follows:

Program Year	Units Assisted	Annual Allocation	Funds Expended
2005/06	112	\$496,842.00	\$471,842.00
2006/07	116	\$669,283.00	\$817,275.00
2007/08	64	\$697,946.00	\$656,850.00
2008/09	42	\$618,139.00	\$337,420.00
2009/10	59	\$514,170.00	\$484,827.00

Current Residential Rehabilitation Activity Status

Program Year (PY) 2010/11 activities have reached the limit of the annual allocation and prior year unallocated funds have been transferred into the current

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year to complete outstanding activities. A total of 55 activities will be completed by the end of this program year. Prior program year unallocated funds have been used to increase NPP service levels and other CDBG program activities. Therefore allocation transfers in future program years will not be an available option to increase service levels in the rehabilitation program. All future activities will be limited to program funds allocated through the annual entitlement. As entitlement fund allocations decrease, a corresponding reduction in program activities will occur.

There are approximately 79 applications pending assistance. Of the 79 applications, 60 are homeowners whose existing applications are currently under review and 19 applications are prior participants whose application will not be considered at this time. In the past, repeat participants comprised 10% of all applications received, and at times received additional grants or loans before participants who had never received assistance. Included in these 60 applications, are five pending cases that include three single-family homes and two mobilehomes that will be processed for assistance in PY 2010 at a projected cost of \$55,000.00 and are included in PY 2010 statistics.

Staff projects a total cost for residential rehabilitation services for the remaining 55 applications will be \$710,000.00. The current yearly CDBG entitlement for the residential rehabilitation activity (single family homes and mobilehomes) is approximately \$300,000.00. Assistance to approximately 27 projects could be served in any one program year; therefore, the current backlog of applications could take more than three years to complete.

Neighborhood Pride Program Suspension

On January 18, 2011 the Economic Development General Manager apprised the Mayor and Councilmembers that the volume of activity in our residential rehabilitation program was approaching the limits of the CDBG budgeted allocations for the current program year. Therefore, acceptance of new applications was suspended until those applications currently awaiting review/assistance have been processed.

Funding for the Neighborhood Pride Program

Prior to PY 2009/10, CDBG funds were augmented by Redevelopment Agency low/moderate income housing funds to increase the number of residents served. However, California Redevelopment Law does not allow housing production credit for residential rehabilitation and the use of low/moderate housing set-aside funds was discontinued. The NPP is solely funded from a portion of the entitlement received through CDBG funds.

On February 14, 2011 President Obama presented his Fiscal Year 2012 Budget Overview. President Obama is proposing a five-year "freeze" on spending for

non-security programs, which is projected to reduce expenditures by \$400 million over ten years. The budget provides 3.68 billion for the CDBG formula (entitlement) program, a reduction of \$299 million, or 7.5 percent.

Therefore, Carson’s CDBG entitlement funds may be reduced by approximately 7.5 percent for PY 2012. Based on the adopted budget for the current year, staff projects an entitlement reduction of 2.2 percent for PY 2011. The proposed federal budget cuts may further limit the number of residential rehabilitation applications that can be funded for the next several program years.

Neighborhood Pride Program Guidelines

Staff is in the process of revising the NPP guidelines and the City Council will be asked to consider revisions to these guidelines sometime in June 2011. Staff will be recommending a number of changes that will ensure compliance with Housing and Urban Development Department regulations, provide equity to eligible program participants and serve eligible applicants based on available CDBG funds.

V. FISCAL IMPACT

None.

VI. EXHIBITS

- 1. Five-Year CDBG Activity Graph. (pg. 4)

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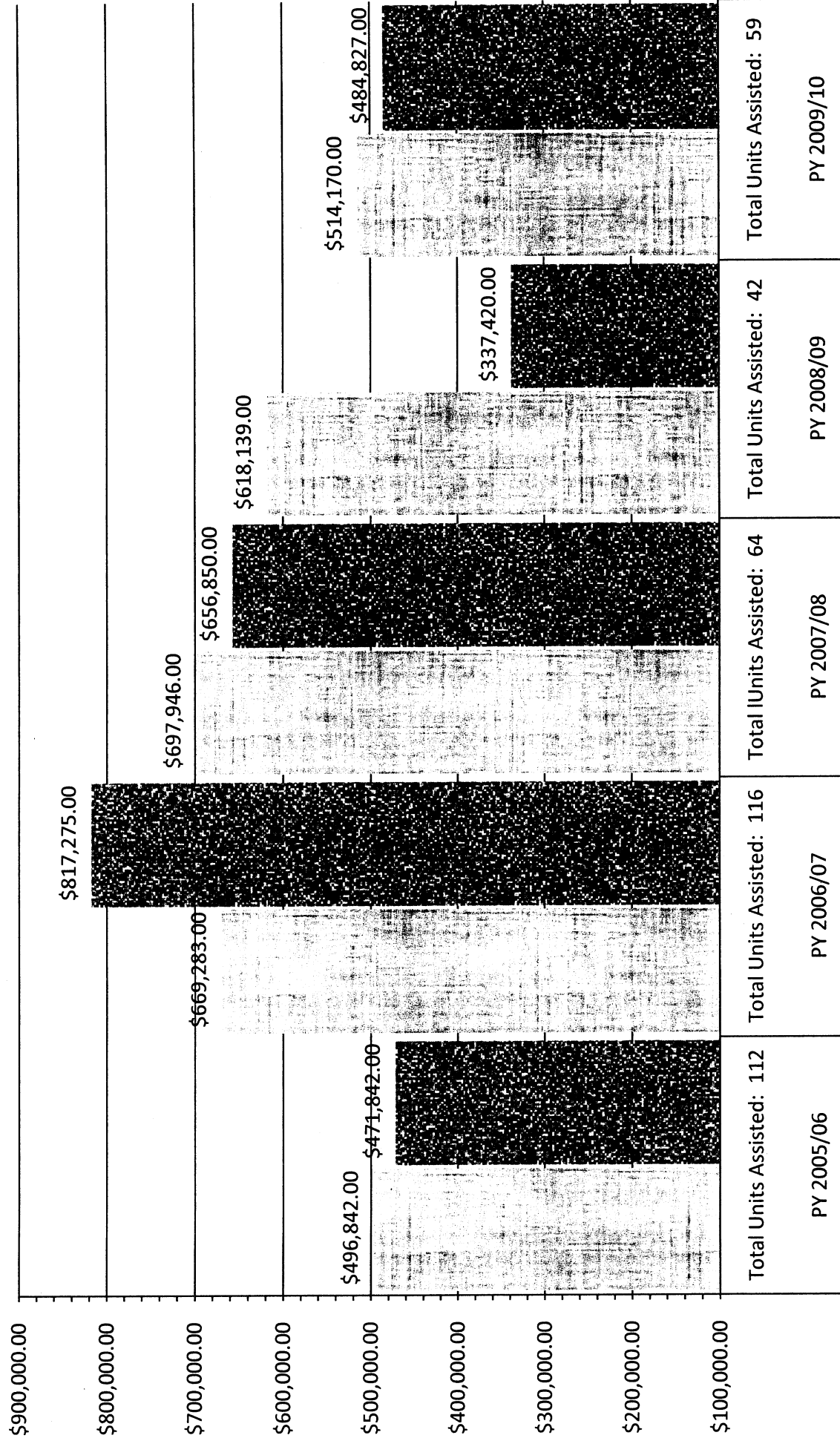
Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development Services	Public Services

Action taken by City Council

Date _____ Action _____

CDBG ACTIVITIES
 PY 2005-2009



Annual Allocation Funds Expended

