



# City of Carson Report to Mayor and City Council

January 17, 2012  
New Business Consent

**SUBJECT: CONSIDER REDUCTIONS TO COMMUNITY DEVELOPMENT BLOCK GRANT  
PUBLIC SERVICE FUNDING FOR PROGRAM YEAR 2012**

Submitted by Clifford W. Graves  
Economic Development General Manager

Approved by David C. Biggs  
City Manager

## **I. SUMMARY**

In adopting revised policy guidelines for Community Development Block Grant (CDBG) public service funding, the City Council set a maximum of 10 programs to be allocated funding for each program year, and a minimum funding level of \$10,000.00 for each approved program. In light of information on Program Year 2012 CDBG funding (Exhibit No. 1), provided by the U. S. Department of Housing and Urban Development, staff requests direction for the Citywide Advisory Commission (CAC) in the consideration of requests for CDBG public service funding for this upcoming program year.

## **II. RECOMMENDATION**

TAKE the following actions:

1. CONSIDER the information on CDBG funding for Program Year 2012 for the city of Carson provided by the U. S. Department of Housing and Urban Development.
2. DIRECT staff and the Citywide Advisory Commission to provide a funding recommendation to the City Council for no more than seven (7) public service programs.

## **III. ALTERNATIVES**

1. DIRECT staff and the Citywide Advisory Commission to provide a funding recommendation to the City Council for no more than ten (10) public service programs.
2. DIRECT staff and the Citywide Advisory Commission to provide a funding recommendation to the City Council for no more than five (5) public service programs.
3. DO NOT FUND any public service programs.
4. TAKE another action the City Council deems appropriate.

**IV. BACKGROUND**

The City Council adopted a set of revised guidelines for CDBG public service provider funding at its meeting on October 4, 2011 (Exhibit No. 2). Among those guideline changes were the following:

- An increase in the minimum annual grant amount for public service providers to \$10,000.00, and
- A limit on the number of programs awarded CDBG funding to no more than ten (10) per program year.

Local governments are permitted to allocate up to 15% of the annual CDBG allocations to support the operations of local human service program providers. Historically, Carson has allocated the maximum 15% each year to these programs.

In a meeting with representatives of the HUD Los Angeles Field Office on December 15, 2011, staff was briefed on allocation estimates for CDBG entitlement communities for the 2012 program year. For Carson, that allocation is \$701,938.00. As the trend in recent years had been for annual decreases in the city's CDBG entitlement amount, staff anticipated a decrease. However, the magnitude of this decrease (\$291,854.00, representing a 29.4% decrease from the PY 2011 allocation of \$993,792.00) far exceeded our estimate, and is nearly double the percentage decrease that was seen from PY 2010 to PY 2011. Given that funding for public services cannot exceed 15% of the city's CDBG allocation, CDBG public service funding in PY 2012 is capped at \$105,291.00 (representing 15% of \$701,938.00).

With a public service cap of \$105,291.00, it becomes difficult to accommodate a maximum of ten programs and a minimum funding level of \$10,000.00 per program. For example, should City Council choose to fund the maximum number of ten programs, that would account for \$100,000.00, and leaves \$5,291.00 for additional distribution. Thus, staff requests that the City Council consider alternative allocation scenarios for program year 2012, and provide direction to CAC accordingly.

Direction is requested at this time because the CAC heard presentations from public service applicants during a public hearing at its January 12, 2012, meeting, and is expected to adopt a recommendation on programs to be funded and recommended amounts at its February 10, 2012, meeting. The CAC recommendation is expected to be presented to City Council for action at Council's March 6, 2012, meeting.

**V. FISCAL IMPACT**

As noted above, the PY 2012 allocation estimate would result in a reduction of \$291,854.00 in CDBG funds as compared to PY 2011.

**VI. EXHIBITS**

1. FY 2012 allocation Estimates (Received from U. S. Department of Housing and Urban Development). (pg. 4)
2. Minutes, City Council, October 4, 2011, Item No. 16. (pg. 5)

Prepared by: Keith Bennett

TO:Rev091911

Reviewed by:

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

<b>Action taken by City Council</b>	
Date _____	Action _____

**FY12 ALLOCATION ESTIMATES**

STA	NAME	CDBG12	HOME12
AZ	Pima County	\$2,422,695	N/A
AZ	Prescott	\$223,001	N/A
AZ	Scottsdale	\$942,775	N/A
AZ	Surprise City	\$449,299	N/A
AZ	Tempe	\$1,338,604	N/A
AZ	Tucson	\$5,106,880	\$2,471,743
AZ	Yuma	\$847,666	N/A
CA	Alameda	\$1,020,738	N/A
CA	Alameda County	\$1,496,719	\$1,973,113
CA	Alhambra	\$766,447	\$362,655
CA	Anaheim	\$4,082,676	\$1,109,489
CA	Antioch	\$659,796	N/A
CA	Apple Valley	\$581,607	\$508,873
CA	Bakersfield	\$3,009,182	\$1,017,571
CA	Baldwin Park	\$1,044,793	\$269,230
CA	Bellflower	\$793,849	\$275,800
CA	Berkeley	\$2,320,878	\$568,370
CA	Buena Park	\$714,794	N/A
CA	Burbank	\$905,485	\$355,314
CA	California Nonentitlemen	\$29,639,800	\$29,893,000
CA	Camarillo	\$276,031	N/A
CA	Carlsbad	\$405,740	N/A
CA	Carson	\$701,938	N/A
CA	Cathedral City	\$492,180	N/A
CA	Cerritos	\$237,106	N/A
CA	Chico	\$769,020	\$486,382
CA	Chino	\$437,330	N/A
CA	Chino Hills	\$302,228	N/A
CA	Chula Vista	\$1,642,860	\$585,844
CA	Citrus Heights	\$533,958	N/A
CA	Clovis City	\$531,101	N/A
CA	Compton	\$1,586,401	\$473,871
CA	Concord	\$840,687	N/A
CA	Contra Costa County	\$2,760,608	\$1,810,944
CA	Corona	\$1,073,026	\$291,595
CA	Costa Mesa	\$1,050,508	\$358,007
CA	Cupertino City	\$310,875	N/A
CA	Daly City	\$902,379	\$236,038
CA	Davis	\$598,338	\$324,019
CA	Delano City	\$581,637	N/A
CA	Downey	\$1,042,933	\$341,179
CA	El Cajon	\$1,000,348	\$377,156
CA	El Centro	\$473,196	N/A
CA	El Monte	\$1,969,328	\$625,261
CA	Elk Grove	\$680,549	N/A

N/A - not a HOME Participating Jurisdiction (PJ) in FY11



**ITEM NO. (16)      CONSIDER REVISED GUIDELINES FOR COMMUNITY DEVELOPMENT  
BLOCK GRANT PUBLIC SERVICE PROGRAM SUBMITTALS  
(ECONOMIC DEVELOPMENT)**

RECOMMENDATION for the City Council:

TAKE the following actions:

1.      ADOPT the recommended policy guidelines for Community Development Block Grant public service funding requests (Exhibit No. 1).
2.      DIRECT staff and the Citywide Advisory Commission to apply these guidelines to the review, evaluation, and recommendation of applications for funding.

ACTION:      It was moved to approve staff recommendation Nos. 1 and 2 on motion of Dear, seconded by Gipson and unanimously carried by the following vote:

Ayes:            Mayor Dear, Mayor Pro Tem Ruiz-Raber, Council Member Davis-Holmes, Council Member Gipson, and Council Member Santarina  
Noes:            None  
Abstain:        None  
Absent:         None