



# CITY OF LODI

# COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for April 7, 1993 to Consider 1993-94  
Community Development Block Grant (CDBG) Allocation

MEETING DATE: March 3, 1993

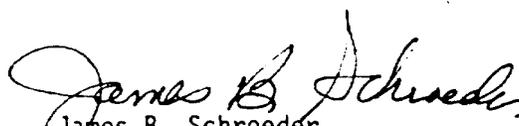
PREPARED BY: Community Development Director

RECOMMENDED ACTION: That the City Council set a public hearing to solicit public comments and project ideas and to consider multi-jurisdictional proposals.

BACKGROUND INFORMATION: The City will receive approximately \$500,000 from the Federal government under the Community Development Block Grant Program (CDBG) for the 1993-94 Program Year. This program has been ongoing since 1986 when the City received its first allocation. To be eligible for funding, projects must meet one of three national objectives:

- To address the needs of low and moderate income persons
- To eliminate a slum or blighted condition
- To resolve an urgent need

FUNDING: Originally budgeted : 1993-94  
Fund: CDBG  
Allocation: \$499,455

  
James B. Schroeder  
Community Development Director

JBS/cg

Attachments

Prepared by Eric Veerkamp, CDBG Coordinator

APPROVED: 

THOMAS A. PETERSON  
City Manager



recycled paper

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**InterOffice Memo**

**To:** City Council Members

**From:** Eric W. Veerkamp *EW*

**Date:** February 17, 1993

**Subject:** 1993-94 Community Development Block Grant Allocation

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The city is due to receive approximately \$500,000 under the Community Development Block Grant (CDBG) Program for the 1994-94 year. Such funds would generally be available on July 1st. Several chosen projects will be funded along with the ongoing funding of administration activities, fair housing activities\*, dial-a-ride, code enforcement\*, and housing rehabilitation.

The city has been participating in Federal program since 1986 as an agreement city with San Joaquin County. The reason for designating ourselves an agreement city along with the other "small" cities in the county, as opposed to a "stand alone" entitlement city, is that we are eligible for a larger funding amount.

A public hearing is required by HUD to allow citizens the opportunity to express their concerns about where the money is spent. If no one in the community requests funding for a project or projects, the city will have to decide on a use for the money that meets HUD's minimum requirements.

In order to be eligible for funding, a project/program must meet one of HUD's three national objectives:

1. To address the needs of low and moderate income persons.
2. To eliminate a slum or blighted condition.
3. To resolve an urgent need.

Under these three general headings, there are a host of eligible types of projects (see attached for a complete listing), some of which are.

1. Public improvements and services.
2. Renewal and rehabilitation projects.
3. Housing rehabilitation.
4. Economic development.
5. Social services activities.

In the past, the city has emphasized construction or reconstruction projects. A partial list of the projects the city has completed or will complete using CDBG funds are as follows:

1. Complete renovation and reconstruction of Hale Park.
2. Construction of walled patio with planters at Hutchins Street Square.
3. Rehabilitation of structure on Sacramento St. into homeless shelter.
4. Rehabilitation of some 20 single-family homes primarily in the east side.

5. Handicap retrofit of restroom at Blakely Park.
6. Handicap retrofit of Lodi Lake Beach restroom.
7. Replacement of water well 10R.
8. Renovation and construction of Blakely Park pool.
9. Handicap retrofit of restroom at Armory Park.

I am available to answer any questions you may have regarding the CDBG Program at ext. 644.

# INTRODUCTION

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## PURPOSE

This Guide is designed to help public officials and citizens understand what activities are eligible to be assisted under the **Community Development Block Grant (CDBG) Entitlement Program**. While regulations provide the authoritative version of program requirements, this Guide:

- Organizes eligibility requirements in a more accessible format; and,
- Provides additional explanatory materials, including examples.

## OVERVIEW OF CONTENTS

**Chapter I (Eligible Activities)** describes each type of activity which may be carried out with CDBG funds. The requirement that each activity must address at least one of the national objectives of the CDBG program is emphasized and examples are provided. Additional considerations related to undertaking each type of activity are also described.

**Chapter II (National Objectives)** describes the criteria that must be met and the records which must be maintained to qualify an activity as either:

- Benefiting low and moderate (L/M) income persons
- Addressing slums or blight; or,
- Meeting a particularly urgent community development need.

**Chapter III (Overall Benefit to L/M Income Persons)** describes the methodology each grantee must follow in determining if it is in compliance with the requirement that at least 60% of all CDBG funds be expended for activities which benefit L/M income persons over one, two, or three consecutive program years, as specified by the grantee. This is distinct from the requirement that individual activities which are considered to meet the L/M income national objective must benefit persons at least 51% of whom are L/M income.

The Guide also includes four appendices:

- (1) The first provides an overview of the program which the reader should find useful in describing the program to others.
- (2) The second contains guidance in conducting "necessary or appropriate" reviews when financial assistance is provided to private for-profit businesses for economic development.
- (3) The third appendix describes policies relating to special assessments under the CDBG program which are also referenced in the Guide.

(4) The last appendix lists the local HUD offices to be contacted for further information and guidance.

## **ADDITIONAL GUIDANCE**

Considering the broad range of activities which may be carried out with CDBG funds and the need for interpretation of the applicability of requirements to many differing factual situations, this Guide will not provide answers to all questions about activity eligibility.

To avoid potential problems, grantees are encouraged to ask the local HUD office for clarification when requirements appear unclear and to bring ambiguous situations to that office's attention.

# CHAPTER 1 -- ELIGIBLE ACTIVITIES

## PURPOSE

This chapter describes in detail the many types of activities which may be assisted using CDBG funds. The purpose of the chapter is to help ensure that grantees will use CDBG funds *only* for eligible activities and will properly classify activities by type. The importance of using CDBG funds only for eligible activities is self-evident. The proper classification of activities is also important because the applicable statutes and regulations place specific requirements on certain activities and not on others. For example, there is a statutory and regulatory limitation on the amount of CDBG funds which may be used for public services. There is a similar limitation on the amount of CDBG funds which may be used for planning and administrative costs.

The statute and regulations also place *special requirements* on such activities as code enforcement and assistance to for-profit businesses for economic development projects. An improperly classified activity may be unnecessarily subject to an inapplicable requirement or, conversely, it may be carried out in a manner contrary to the intent of the law.

## SCOPE OF AN ELIGIBILITY DETERMINATION

Six steps are involved in the process of determining if CDBG funds may be used to assist a proposed activity.

The **first step** is to determine if the activity is included within the listing of eligible activities in the CDBG regulations, as modified by statutory amendments. This chapter describes all activities which are currently eligible.

The **second step** is to determine if the proposed activity falls within a category of explicitly ineligible activities, despite its apparent inclusion within the listing of eligible activities. For example, while many public facilities are eligible for assistance, there is an explicit statutory and regulatory bar to providing assistance to "buildings for the general conduct of government." The explicitly ineligible activities are identified in this chapter.

The **third and probably most important step** is to determine if the proposed activity meets one of the national objectives of the program:

NATIONAL OBJECTIVES
<ul style="list-style-type: none"><li>● Benefiting low and moderate (L/M) income persons</li><li>● Addressing slums or blight; and,</li><li>● Meeting a particularly urgent community development need.</li></ul>

The fourth step is to ensure that carrying out the activity with CDBG funds will not result in the grantee violating its certification that at least 60% of CDBG funds will benefit L/M income persons over one, two, or three consecutive program years, as specified by the grantee. The procedure for calculating overall program benefit to L/M income persons is described in Chapter 3.

The fifth step is to review proposed costs of the activity to determine if they appear to be necessary and reasonable and will otherwise conform with the requirements of OMB Circulars A-87, "Cost Principles Applicable to Grants and Contracts with State and Local Governments," A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable.

The sixth step is to complete the environmental review and clearance procedures for the project of which the activity is a part. Those procedures are set forth in 24 CFR Part 58. HUD is prohibited by law from releasing funds for a CDBG activity until the grantee certifies that it has met its responsibilities with respect to environmental protection.

## ELIGIBLE ACTIVITY CATEGORIES

The remainder of this chapter describes separately each type of eligible activity in the following order:

ELIGIBLE CATEGORIES	PAGE
Acquisition of Real Property	1-3
Disposition	1-9
Public Facilities and Improvements	1-15
Privately-Owned Utilities	1-23
Clearance	1-25
Public Services	1-29
Interim Assistance	1-37
Relocation	1-41
Loss of Rental Income	1-43
Removal of Architectural Barriers	1-45
Housing Rehabilitation	1-47
New Housing Construction	1-53
Code Enforcement	1-59
Historic Preservation	1-63
Commercial or Industrial Rehabilitation	1-65
Special Economic Development	1-67
Special Activities by Subrecipients	1-73
Planning and Capacity Building	1-75
Program Administration Costs	1-77
Other Activities	1-81

CITY OF LODI  
221 WEST PINE STREET  
LODI, CALIFORNIA 95240

ADVERTISING INSTRUCTIONS

SUBJECT: NOTICE OF PUBLIC HEARING - 1993/94 COMMUNITY DEVELOPMENT BLOCK  
GRANT (CDBG) ALLOCATION

PUBLISH DATES: SATURDAY, MARCH 6, 1993

TEAR SHEETS WANTED: THREE

AFFIDAVIT AND BILL TO:

JENNIFER M. PERRIN, CITY CLERK

DATED: MARCH 3, 1993

ORDERED BY:

PEGGY NICOLINI  
DEPUTY CITY CLERK

ADVINS/TXTA.02J



# CITY OF LODI

CARNEGIE FORUM  
305 West Pine Street, Lodi

## NOTICE OF PUBLIC HEARING

Date: April 7, 1993

Time: 7:30 p.m.

For information regarding this Public Hearing  
Please Contact:

Jennifer M. Perrin  
City Clerk  
Telephone: 333-6702

## NOTICE OF PUBLIC HEARING

April 7, 1993

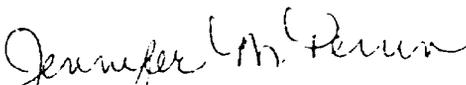
NOTICE IS HEREBY GIVEN that on Wednesday, at the hour of 7:30 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing to consider the following matter:

- a) 1993/94 Community Development Block Grant (CDBG) Allocation

All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

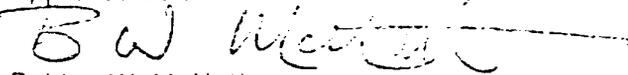
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order Of the Lodi City Council:

  
Jennifer M. Perrin  
City Clerk

Dated: March 3, 1993

Approved as to form:

  
Bobby W. McNatt  
City Attorney