

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
POLICY NO.: 700-02
EFFECTIVE DATE: June 24, 2024

BACKGROUND:

The federal Housing and Community Development Act of 1974 established the Community Development Block Grant (CDBG) Program. The enabling legislation has been reviewed and amended by Congress periodically since 1974. The purpose of the CDBG program is to provide an annual source of funds to local governments for the purpose of implementing activities to develop viable urban communities, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Federal administration of the CDBG program is the responsibility of the U.S. Department of Housing and Urban Development (HUD). The City of San Diego has participated in the CDBG program, as an entitlement jurisdiction, since the program's inception.

Capitalized terms not defined in this Council Policy shall have the meaning given to them in the current five-year CDBG Consolidated Plan.

PURPOSE:

To establish the general guidelines by which the City will select and implement activities utilizing CDBG funds.

POLICY:

It is the policy of the City Council to allocate CDBG funds in accordance with the following standards.

1. Only activities that meet the specific eligibility requirements of the CDBG program, as set forth in the federal legislation enacting the CDBG program and associated regulations adopted by HUD, will be implemented.
2. Funding will be allocated on a fiscal year basis (July 1 through June 30), or more frequently if required by City Council action or to address a local, state, or federal emergency declaration.
3. Funding will be allocated as prioritized by the City Council in the City's then current approved five-year Consolidated Plan.

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4. Funding for CDBG Program Administration, as defined by HUD regulations (which may include planning, administration, and fair housing), will be taken from the City's overall annual CDBG program budget prior to funding being made available to address other Consolidated Plan goals.
5. Up to 25 percent of the City's annual CDBG public service budget, not to exceed \$1 million, shall be set aside for the City's homeless programs.
6. The City uses certain CDBG funds to support activities carried out by nonprofit organizations, or other partner agencies, based on a competitive application process described in the Consolidated Plan. Before the City considers an organization for an allocation of CDBG funds, the organization must submit to the City an application or response to a Request for Qualifications (RFQ) and subsequent Request for Proposals (RFP) in accordance with the requirements of the then current Notice of Funding Availability (NOFA).
7. A nonprofit organization must complete a construction or rehabilitation project that was previously awarded CDBG funds before it may submit an RFP for a subsequent construction or rehabilitation project through the annual CDBG NOFA process. Project completion is confirmed by the City's issuance of a Notice of Completion for the construction or rehabilitation project.
8. Before the City will consider a CDBG program funding application, a CDBG applicant shall either attend a mandatory RFP workshop hosted by the City during the annual CDBG RFP period or view a recording of the workshop. City staff will confirm an applicant's attendance at the RFP workshop. If an applicant does not attend the RFP workshop, the applicant must certify at the time they submit their RFP application that they have viewed the workshop recording in full.
9. CDBG applicants proposing a construction or rehabilitation project must attend a mandatory RFP technical assistance appointment.
10. The minimum allocation of CDBG funds made to a public service, community economic development, or other non-capital improvement project will be \$50,000. All CDBG funds allocated for these project types shall be expended within 12 months after the start of the City fiscal year for which the funds are allocated.
11. The minimum allocation of CDBG funds made to a construction or rehabilitation project will be \$200,000. All CDBG funds allocated for these project types shall be expended within 24 months after the start of the City fiscal year for which the funds are allocated.

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12. The scope of work for projects allocated CDBG funds will be specifically defined in an agreement between the City and subrecipient.
13. CDBG funds not spent by a subrecipient within the applicable timeframe will be subject to reprogramming in accordance with the then current five-year Consolidated Plan and applicable City Council resolutions.
14. Improvements to real property using CDBG funds shall benefit low/moderate income persons for a minimum of five (5) years from the date of project completion, or longer if required by HUD regulations. Real property restrictions or real property security for performance documents will be recorded on real property in the non-profit facility improvement category to secure the term of the low/moderate income benefit.
15. The City will determine its priorities for Capital Improvement Projects regardless of whether the City will receive CDBG funds. If received, CDBG funds shall not replace funding from the City's general fund or substitute for other City funds.
16. The Consolidated Plan Advisory Board (CPAB) will review all applications for CDBG funds proposed for certain activities carried out by nonprofit organizations and other partner agencies based on a competitive application process described in the Consolidated Plan. The CPAB will provide recommendations to the Council regarding funding allocations to applicants and other activities related to the Consolidated Plan.
17. The CPAB shall annually review and approve a set of criteria it will use to score CDBG competitively-awarded funding applications, which may include an evaluation of past performance and regulatory compliance (if applicable), how the proposed project will address areas of the City identified to have the highest levels of need, eligibility of proposed expenditures and budget, and the amount or percentage of leveraged funding contributed to the proposed project. The criteria may also include an option to waive the scoring of applications in a certain CDBG award category if the total dollar amount of funds requested by all applicants in the category is less than the total amount of funds allocated to the category, provided the applications still meet minimum CDBG eligibility requirements.
18. City staff will review this Council Policy at a minimum during the adoption process of each five-Year Consolidated Plan and recommend changes to the Council Policy as needed.

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HISTORY:

“Leasing of City-owned Property in Industrial Park”

Adopted by Resolution R-174133 – 1/10/1963

Repealed by Resolution R-208090 – 06/05/1973

“Community Development Block Grant Program (CDBG)”

Adopted by Resolution R-259072 – 08/15/1983

Amended by Resolution R-281638 – 03/22/1993

Amended by Resolution R-282395 – 07/26/1993

Amended by Resolution R-287559 – 06/25/1996

Amended by Resolution R-303367 – 02/11/2008

Amended by Resolution R-305413 – 11/24/2009

Amended by Resolution R-307328 – 03/28/2012

Amended by Resolution R-310812 – 12/16/2016

Amended by Resolution R-315633 – 06/24/2024