



**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 11/16/99

AGENDA ITEM \_\_\_\_\_

WORK SESSION ITEM WS #2a

**TO:** Mayor and City Council  
**FROM:** Director of Community and Economic Development  
**SUBJECT:** FY 2000-2001 CDBG Priorities

**RECOMMENDATION:**

It is recommended that City Council review and comment on the recommended CDBG priorities contained in Attachment A: Proposed CDBG Policies and Categories of Need.

**BACKGROUND:**

On October 27, 1999 the Citizens Advisory Commission (CAC) met and reviewed the current FY 1999-2000 Policies and Categories of Need in preparation for recommending priorities for FY 2000-2001. It is anticipated that the City of Hayward will have approximately \$2 million dollars in CDBG funds available in FY 2000-2001.

The Policy Statement that introduces the Categories of Need concisely describes the CDBG National Objectives of eliminating blight and providing assistance to lower income households, those earning at or below HUD's definition of low income which is \$47,800 for a family of four for 1999-2000. It also summarizes the HUD policy that at least 51% of the households in an area must be low income in order for that area to be a CDBG target area and the City policy that the percentage of CDBG funds in any given project will be no greater than the percentage of Hayward residents served by the project.

The CAC discussed whether there was a need to modify the FY 1999-2000 Categories of Need. Members reflected upon whether the proposals submitted for funding last year indicated a need to change the allocation structure. They concluded that the Categories of Need and allocation guidelines for FY 1999-2000 worked well and recommend to Council that these should be used for FY 2000-2001.

Prepared by:

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Approved by:

  
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Jesús Armas, City Manager

Attachments: A. Proposed Policy and Categories of Need FY 2000-2001  
B. Summary Chart of Funded CDBG Programs for FY 1999-2000

## ATTACHMENT A

### CITY COUNCIL COMMUNITY DEVELOPMENT BLOCK GRANT PROPOSED POLICY AND CATEGORIES OF NEED 2000-2001

#### POLICY STATEMENT

The City of Hayward recognizes there are various emerging and continuing needs of lower-income residents of the City that are appropriately met through the use of Community Development Block Grant (CDBG) funds. Such needs are: New Housing, Housing Rehabilitation, Public Facilities and Improvements, Public Services, Economic Development and commercial rehabilitation. The City of Hayward encourages the development of project proposals designed to address these housing and community development needs. **All proposed projects must --**

- directly benefit lower-income persons (persons whose income is at or below 80% of the area median income);
- take place in an area where more than 51% of the population is lower income; or
- eliminate slums and blight.

Each project must carry out one of the eligible activities described in the Categories of Need. The City will fund no more than the proportion of total project costs equal to the proportion of eligible Hayward residents served by the project.

#### CATEGORIES OF NEED

##### A. OWNERSHIP HOUSING

ALLOCATION OF FUNDS: 0-20%

Preference will be given to homeownership projects. New housing development must be affordable for lower-income households. Eligible activities include the purchase and improvement of land to build homeowner units, rentals, and housing cooperatives; the development of housing for the disabled and elderly; and the development of emergency housing.

Eligible activities by a public agency or private nonprofit entity, include: acquisition (in whole or in part) of real property by purchase, lease, donation or otherwise, clearance; site assemblage; provision of site improvements; preliminary surveys; sketch drawings; preliminary cost estimates; and application and commitment fees.

Downpayment and closing costs and second mortgage assistance to first-time homebuyers are needed by lower income renters in order for them to become first-time homebuyers. Eligible activities include providing financial assistance to first-time homebuyers for home purchase and relocation (if the unit purchased is currently occupied by a lower income renter household that would be displaced by the purchase).

**B. HOUSING REHABILITATION**

**ALLOCATION OF FUNDS: 20-40%**

The conservation and improvement of dwellings serving lower-income households. These activities include the rehabilitation of housing occupied by lower-income households and minor home repairs to lower-income seniors. CDBG funds may be used to finance the rehabilitation of privately-owned buildings and improvements, lower-income public housing and other publicly-owned residential buildings and improvements otherwise eligible for assistance; code enforcement; historic preservation; and renovation of closed school buildings. Applicants may propose to offer the following to lower-income households: assistance to private individuals and entities; labor, materials and other costs of rehabilitation; loans for refinancing existing indebtedness secured by a property rehabilitated with CDBG funds; improvements to increase the efficient use of energy; improvements to increase the efficient use of water; financing of costs associated with the connection of residential structures to water distribution lines or local sewer collection lines; limited costs to homeowners as a result of rehab; costs of tools lent to owners, tenants and others to carry out rehab; and rehabilitation services.

**C. NEIGHBORHOOD FACILITIES AND IMPROVEMENTS**

**ALLOCATION OF FUNDS: 25-35%**

Acquisition, construction, reconstruction, rehabilitation or installation of eligible public facilities and improvements. Facilities owned by nonprofits are eligible if they are open to the public during normal operating hours. Activities that promote energy efficiency may be included, as well as activities that include the execution of architectural design features and treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance. Types of projects include senior centers, centers for the disabled, curb ramps, removal of architectural barriers, parks, community gardens, playgrounds, and recreational facilities. The City Council has established a priority for facilities providing child care or other youth services.

**D. PUBLIC SERVICES**

**ALLOCATION OF FUNDS: 0-15%**

Hayward's City Council has limited public service funding to the following services: fair housing, housing counseling services, the investigation of housing discrimination complaints,

housing placement assistance to lower-income households and other housing-related social services.

E. ECONOMIC DEVELOPMENT

ALLOCATION OF FUNDS: 0-20%

Activities may include acquisition of real property, construction or rehabilitation of public buildings, commercial, or industrial facilities and assistance to nonprofit organizations, small business investment companies and local development corporations. Assistance for these activities may be in the form of grants, loans, loan guarantees, interest supplements and technical assistance. Activities must benefit lower-income persons, either by upgrading commercial areas of lower-income neighborhoods or by providing employment or other benefits to lower-income residents as a result of assistance.

F. COMMERCIAL REHABILITATION

ALLOCATION OF FUNDS: 20-40%

Activities include facade improvements, emergency health and safety repairs, and repair of code deficiencies for commercial properties in the downtown redevelopment area.

## ATTACHMENT B

### Summary Chart of Funded Community Development Block Grant Programs for FY 1999-2000

<b>Program</b>	<b>Amount Funded FY 1999-2000</b>
Alameda County Foodbank	15,000
Boys and Girls Club	178,650
Community Resources for Independent Living	33,495
Eden Council for Hope and Opportunity	141,556
Eden Information and Referral	25,000
Eden Youth Center	26,000
Emergency Shelter Program	28,188
Facade Improvement Loan Program	390,000
Hayward Community Gardens	21,648
Hayward Unified School District	85,000
Homeownership Assistance Program	\$200,000
Housing Conservation Loan Program	400,000
Human Outreach Agency	40,000
La Familia – Fuller Street Neighborhood Center	140,040
Minor Home Repair Program	245,000
Shelter Against Violent Environments - WINGS	50,000
Small Business Institute	50,000