

March 8, 2005

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
March 22, 2005

**PROPOSED ELIMINATION OF THE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

Recommendation:

That the City Council consider adopting a resolution supporting the continued funding of this program.

Background:

The Community Development Block Grant (CDBG) Program was first available in 1974. Through its 30 years, it has provided funding to cities and counties to expand housing and economic development activities.

Hermosa Beach began participating again in 1995. The City has used all of the funds for improving community infrastructure such as ADA access improvements to the City Hall and Community Center complex, curb ramps throughout the city, and underground utility hook-up assistance. The Community Center Complex is an ongoing project. The City expects to receive \$114,000 in the 2004-05 fiscal year. These funds have enabled the City to make these improvements, which is a federal mandate, in some cases, with federal dollars. The proposed action would eliminate the program entirely, funding has been reduced over the last several years. There is not a replacement program being proposed so it is likely that the City would have to make up these funds from local revenues or slow down or forgo the improvements.

I have attached some additional information on the program. The League of California Cities is also urging direct communication with our representatives in Washington to explain the importance of the program to us.

Respectfully submitted,

Stephen R. Burrell
City Manager

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF HERMOSA BEACH, CALIFORNIA, SUPPORTING THE COMMUNITY DEVELOPMENT PROGRAM AND URGING CONGRESS TO RESTORE ITS FUNDING.

WHEREAS, the Community Development Block Grant (CDBG) program was enacted, and signed into law by President Gerald Ford, as the centerpiece of the Housing and Community Development Act of 1974; and,

WHEREAS, the CDBG program has as its primary objective "...the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income"; and,

WHEREAS, the CDBG program has considerable flexibility to allow communities to carry out activities that are tailored to their unique affordable housing and neighborhood revitalization needs; and,

WHEREAS, throughout its 30-year history, the CDBG program has been a partnership among the federal, state and local governments, business, and the nonprofit sector which carry out activities that improve the lives and neighborhoods of low and moderate income families; and,

WHEREAS, according to the Department of Housing and Urban Development (HUD), in FY 2004 CDBG provided funds for thousands of activities, assisting over 23 million persons and households through such activities as expanding homeownership activities, eliminating slums and blighting influences, improving infrastructure such as roads, water and sewer systems, libraries, community center, adult day care and after school care for children, homeless housing facilities, employment training, transportation services, crime awareness, and business and job creation; and,

WHEREAS, the City of Hermosa Beach uses CDBG funds in the amount of \$159,522 in the current fiscal year to rehabilitate public buildings and facilities for ADA compliance; and,

WHEREAS, President's FY 2006 budget proposes to completely eliminate the

CDBG program; and,

WHEREAS, should such a proposal be enacted, it would have a devastating effect on the City of Hermosa Beach's CDBG program by eliminating the public facilities and community center improvements for ADA Program compliance;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hermosa Beach hereby calls on the Congress to preserve the Community Development Block Grant (CDBG) Program within the Department of Housing and Urban Development and provide a FY 2006 funding of at least \$4.7 billion overall, with no less than \$4.35 billion in *formula funding*.

PASSED, APPROVED, and ADOPTED this 22nd day of March, 2005.

PRESIDENT of the City Council and MAYOR of the City of Hermosa Beach,
California

ATTEST:

APPROVED AS TO FORM:

CITY CLERK

CITY ATTORNEY