



Department of Administration
Community Block Grant Administration

John O. Norquist
Mayor

David R. Rierner
Director

Juanita Hawkins
Administration—Block Grant Director

TO: Members of the Community Development Committee

FROM: Juanita Hawkins
Director *Juanita Hawkins*

DATE: February 5, 2002

RE: Fiscal Year 2002 Formula Allocations for Community Development Block Grant, HOME Investment Partnerships, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS

The 2002 funding award notification received from the U.S. Department of Housing and Urban Development is indicated below and in the attached letter. The City's 2002 allocation of community development block grant funds is less than the HUD allocation; the HOME, ESG and HOPWA allocation is slightly more than the City's allocation.

	<u>HUD Allocation</u>	<u>CITY Allocation</u>	<u>Difference</u>
CDBG	\$22,596,000	\$ 23,000,000	< 404,000>
HOME	\$ 9,402,000	\$ 8,000,000	+1,402,000
ESG	\$ 785,000	\$ 783,000	+ 2,000
HOPWA	\$ 483,000	\$ 400,000	+ 83,000
TOTAL	\$33,266,000	\$ 32,183,000	

The city's contractual agreement with contractors, copy attached, allows the Community Development Policy Committee to modify and reduce either the contractor's compensation or the contractor's program year or both if there were a reduction in federal funds. A third option, which CBGA recommends is to resolve the \$404,000 CDBG shortfall with 2001 reprogramming funds, which will be considered later this spring.

With respect to the other federal grants, CBGA recommends the following:

1. Place the additional HOME funds, \$1,402,000, in the 2002 HOME Pool account.
2. Allocate \$2,000 in ESG funds to Community Advocates for subcontracting with the Red Cross for the overflow shelter.
3. Allocate \$18,080 in HOPWA funds to Richards Place, thereby increasing the 2002 award to \$57,000. Allocate \$64,920 to AIDS Resource Center, increasing the award to \$426,000.