

MEMO

To: CDBG Committee

From: Bill Clingan, Community Development Director

Date: February 26, 2010

Subject: Significant changes to the CD Goals and Priorities

Below you will find a list of significant changes that are being proposed for the Community Development Goals and Priorities (formerly known as the Framework). This list is not all inclusive but a first step in acclimating you to the proposed revisions.

Additions to all objectives as appropriate:

- Energy efficiency component

Objective A - Existing Owner-Occupied Housing

- Allow homeowners to receive an additional \$8,000 to be used for energy efficiency in addition to the \$19,000 allowable for home repairs. An additional \$4,000 was allowed previously.

Objective B – Housing for Buyers

- Addition of home buyer education as a requirement. This has always been the case but not articulated in the Goals and Priorities.
- Elimination of shared appreciation for home buyers. The proposed repayment will be the loan plus interest. The CDD staff will determine the interest rate on an annual basis.

Objective D – Rental Housing

- Deletion of the requirement that a development is limited to 16 units.

Objective E – Business Growth for Job Creation

- Addition of a requirement that positions created need to be filled in 1-2 years.

Objective F – Micro-enterprises

- Addition of a requirement that projects funded must have a well developed business plan that considers the focus of the business and intended customer base, expected costs and revenues, a particular sector of the economy, a particular stage of development, size of business and whether it is part of a larger neighborhood strategy.

Objective K – Community and Neighborhood Facilities

- A revision that the City will only fund projects that are \$25,000 or greater. Previously the limit was \$10,000

Housing Development Revolving Fund

- A revision to the Scattered Site fund to allow agencies to more easily access these dollars to accomplish the goals of the fund.

Economic Development Fund

- The inclusion of funding small business development and job creation throughout the year without being exclusive to acquisition and rehab. of property.

Acquisition / Rehab. Revolving Fund

- A revision that the City will only fund projects that are \$25,000 or greater. Previously the limit was \$10,000