

Community Development Block Grant Fund Fund 441**PURPOSE OF THE FUND:**

The Community Development Block Grant (CDBG) Fund accounts for federal grant moneys received from the U.S. Department of Housing and Urban Development authorized under Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq. The program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

The City provides CDBG awards to nonprofit partners and funds City departments to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services, with maximum feasible priority to activities which benefit low- and moderate-income persons. Other eligible activities include the prevention or elimination of slums or blight and activities that meet a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs.

CDBG funds may be used for public service and community development activities which may include: public services to seniors, homeless, youth, and disabled; acquisition of real property; rehabilitation of residential and non-residential structures; construction of public facilities and improvements, such as water and sewer facilities, streets, and neighborhood centers; activities relating to energy conservation and renewable energy resources; and assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.

AUTHORITY FOR THE FUND:

San José Municipal Code Sections 4.80.200 through 4.80.220. Revenue and expenditure estimates are budgeted via City Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

- Community Development Block Grant funding from the federal government in accordance with Title I of the Housing and Community Development Act of 1974
- Interest earnings
- Interest and principal payments on loan receivables

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FUND RESTRICTIONS:

While the use of moneys within this fund is not subject to Proposition 218, certain moneys in this fund may be restricted, as described below.

Moneys in the CDBG Fund are only to be expended for purposes authorized by the Housing and Community Development Act of 1974 and The Office of Management and Budget Circulars, in particular Circulars A-85, A-87, A-122, and A-133. Expenditures are subject to restrictions detailed within the Act and the Circulars.

Administrative expenses incurred within the General Fund as a result of the City's community development program, including the grant application process, can be charged against appropriations within this fund.

Interest earnings and principal repayments from outstanding loans are retained in the fund for future eligible activities.

LEAD RESPONSIBILITY:

Housing Department

FINANCIAL INFORMATION AND LOCATION:**Comprehensive Annual Financial Report (CAFR) Designation:**

Governmental Fund-Special Revenue

Budget Location:

Adopted Operating Budget

Funding Sources Resolution and Appropriation Ordinance Location:

Section 13.01

NOTES:

The ARRA- Community Development Block Grant Fund (Fund 304) is a memo fund to the Community Development Block Grant Fund.