# T H E C O U N C I L

**REPORT OF THE COMMITTEE ON FINANCE APPROVING THE COMMUNITY DEVELOPMENT BUDGET FOR CITY FISCAL YEAR 2016, THE REALLOCATION OF FORTY-FIRST YEAR COMMUNITY DEVELOPMENT FUNDS, AND THE FORTY-SECOND COMMUNITY DEVELOPMENT PROGRAM YEAR.**

The Committee on Finance respectfully submits to The Council of the City of New York the following:

**R E P O R T**

Introduction. The Proposed City Fiscal Year 2016 Community Development Program, Proposed Reallocation of Forty-First Year Community Development Funds, and Proposed Forty-Second Year Community Development Program were submitted by the Mayor to the Council on May 7, 2015 and referred to the Committee on Finance.

Analysis.The Committee on Finance held hearings on the 18th, 19th, 20th, 21st, 26th, 28th, and 29th of May 2015, and on the 1st, 2nd, 4th, 8th, and 9th, of June 2015. The testimony elicited at these hearings regarding the budget as a whole and with respect to specific needs and projects was supplemented by further data developed at the meetings of the Committee on Finance, and from Council staff and representatives of City agencies. The primary concern of the Committee was that the funding contained in the Proposed City Fiscal Year 2016 Community Development Program would meet the actual and perceived needs of the communities the City of New York comprises.

In its deliberations, the Committee on Finance took into consideration the testimony of the citizenry at the public hearings and the information furnished by Council Members, staff assistants and City agencies.

As a result of the Committee on Finance’s deliberation, the Committee recommends the following:

1. A City Fiscal Year 2016 Community Development Program totaling $224,863,000;
2. A Reallocated Forty-First Year Community Development Program totaling $222,879,000; and
3. A Forty-Second Community Development Program totaling $223,039,000.

The Committee makes this recommendation with the stipulation that the portion of the Forty-Second Year Community Development budget, which will be spent in City Fiscal Year 2017 and not City Fiscal Year 2016, will be subject to review and reallocation in the City Fiscal Year 2017 Community Development budget.

**Community Development Block Grant (CDBG)-Additional Funding**

(Dollars in Millions)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **PROPOSED** | **PROPOSED** | **REVISED** |
| **COMMUNITY DEVELOPMENT PROGRAM** | **BUDGET** | **CHANGES** | **BUDGET** |
|  |  |  |  |
| City Fiscal Year 2016 Community Development |  |  |  |
| Program Total: | 223.039 | 1.824 | 224.863 |
|  |  |  |  |
|  |  |  |  |
| Reallocated Forty-First Year Community |  |  |  |
| Development Program Total: | 221.055 | 1.824 | 222.879 |
|  |  |  |  |
|  |  |  |  |
| Forty-Second Year Community Development |  |  |  |
| Program Total: | 223.039 | 0.000 | 223.039 |
|  |  |  |  |
|  |  |  |  |

The proposed changes are comprised of two components. The first is $0.375 for the Met Council Food Pantry, administered through the Department of Youth and Community Development. Community Development funds will pay for a food distribution program targeting low- and moderate-income residents in New York City. Funds will pay for the administrative staff and for food.

The second component is a $1.449 million increase due to collective bargaining agreements. This sum reflects settlements reached with the Building Inspectors Union and Sanitation Workers Local 831.

Changes were made to the CDBG FY16 budget to adhere to eligibility and compliance requirements of the CDBG program. Details of these changes are below, and the net effect of such changes is zero.

Reductions to the CDBG CFY 2016 Budget:

* 1. Due to CDBG eligibility issues and to reduce administrative burden, the City Commission on Human Rights’ (CCHR) Law Enforcement Program and the Neighborhood Human Rights Program will now be funded by city tax levy.
  2. The City's collective bargaining agreements would have pushed the City over the CDBG Planning and Administration cap. In order to remain in compliance with this requirement, the Department of Housing Preservation and Development’s (HPD) Program Planning and Neighborhood Preservation Offices programs will now be funded by city tax levy.
  3. HPD’s Targeted Code Enforcement Program provides for housing inspections in response to emergency housing complaints from tenants in multi-unit buildings. Due to rising incomes and improving housing conditions, some areas are no longer eligible for CDBG funding. City tax levy funds will now cover those areas.
  4. The fringe benefits costs associated with the City staff funded under the above-referenced programs will now be paid for with city tax levy funds.

Increases to the CDBG CFY 2016 Budget:

CDBG will fund that portion of the Department of Education’s Breakfast in the Classroom initiative involving the rehabilitation of kitchens, which is necessary to carry out the program.

|  |  |  |  |
| --- | --- | --- | --- |
| **CFY 2016 CDBG ADJUSTMENTS** | | | |
| **Sources:** | (Dollars in Millions) | | |
| Agency | Program |  | Total |
| CCHR (226) | Neighborhood Human Rights Program |  | (2.913) |
|  | Law Enforcement Program |  | (1.353) |
| **CCHR Sub-Total** | |  | **(4.266)** |
|  | |  |  |
| HPD (806) | Neighborhood Preservation Offices |  | (3.424) |
|  | Program Planning |  | (1.809) |
|  | Targeted Code Enforcement |  | (2.344) |
| **HPD Sub-Total** | |  | **(7.577)** |
|  | |  |  |
| MISC (098) | Fringe Benefits associated with above actions |  | **(2.834)** |
| **Total Sources:** | |  | **(14.677)** |
| **Use:** | | | |
| Agency | Program |  | Total |
|  |  |  |  |
| DOE (040) | Breakfast in the Classroom (BIC) |  | 14.677 |
|  |  |  |  |
|  | **Total Use:** |  | **14.677** |

Res. No. 774

..Title

Resolution approving The City Fiscal Year 2016 Community Development Program, Reallocation of Forty-First Year Community Development Funds, and the Proposed Forty-Second Year Community Development Program.

**..Body**

By Council Member Ferreras-Copeland

Whereas, The Office of Management and Budget has prepared a Proposed City Fiscal Year 2016 Community Development Program, a Proposed Reallocation of Forty-First Year Community Development Funds, and a Proposed Forty-Second Year Community Development Program; and

Whereas, The Proposed City Fiscal Year 2016 Community Development Program, Proposed Reallocation of Forty-First Year Community Development Funds and Proposed Forty-Second Year Community Development Program are provided to the City Council for review and consideration; and

Resolved, That the Council of the City of New York hereby agrees to the Proposed Community Development Program for City Fiscal Year 2016 in the amount of $224,863,000, which reflects an increase of $1,824,000 over the Executive Budget as submitted by the Mayor on May 7, 2015; and be it further

Resolved, That the Council of the City of New York hereby agrees to the Proposed Reallocation of Forty-First Year Community Development Funds in the amount of $222,879,000, which reflects an increase of $1,824,000 over the Proposed Forty-First Year Community Development Budget as submitted by the Mayor on May 7, 2015; and be it further

Resolved, That the Council of the City of New York hereby agrees to the Proposed Forty-Second Year Community Development Program as submitted by the Mayor on May 7, 2015, in the amount of $223,039,000; and be it further

Resolved, That the Council of the City of New York hereby shall have the opportunity to review the allocation as part of the City Fiscal Year 2016 budget adoption, of that portion of the Forty-First Community Development budget that will be scheduled to be spent in City Fiscal Year 2017 and not City Fiscal Year 2016.

TE6-23-15

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