Legislation Details (With Text)

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Res. No. 1496

Resolution calling upon Congress to restore funding to the Community Development Block Grant program and HOME Investment Partnerships Program to their FY 2011 allocation and to increase funding to these vital programs.

By Council Members Vann, Chin, Dromm, Eugene, Fidler, James, Koo, Lander, Mark-Viverito, Recchia, Rose, Williams and Rodriguez

Whereas, The federal Community Development Block Grant program (CDBG) administered by the U.S. Department of Housing and Urban Development (HUD) provides communities, including local and state governments, with grants for neighborhood redevelopment, economic development, and with resources for a range of community development needs; and

Whereas, The formula allocation for CDBG funding is based on a locality's poverty levels, population, growth lag, overcrowding in housing, and the age of its housing stock in comparison to other communities; and

Whereas, CDBG funding is allocated to localities for general purposes, allowing communities flexibility

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to determine how the funding should be utilized but requiring that at least 70 percent of all such funds must be used for people with low or moderate incomes; and

Whereas, CDBG funded projects can include economic development activities, infrastructure development, commercial revitalization, rehabilitation of private and public property, and the acquisition of property for public purposes; and

Whereas, The City of New York receives a direct allocation from HUD as an entitlement community with approximately 60 percent of the city's allocation used by the City's Department of Housing Preservation and Development (HPD) for housing services; and

Whereas, New York City also provides other agencies, including the Department of Youth and Community Development and the Department of Small Business Services, with CDBG funds to offer a variety of vital services such as career training, adult literacy, beacon centers, homeless shelters, supportive housing services, the preservation of affordable housing and community development needs for low-and-moderate income families and households; and

Whereas, The HOME Investment Partnerships Program (HOME) serves as the largest federal block grant to both state and local governments for the purpose of creating affordable housing for low-income households; and

Whereas, HOME funds are awarded annually as formula grants to localities with each grantee obtaining the funding through a HOME Investment Trust Fund established by HUD; and

Whereas, HOME empowers communities to design and implement strategies tailored to their own needs, fosters planning to expand and strengthen public-private partnerships in the development of affordable housing, provides technical assistance for qualified community based non-profit housing groups in order to build the capacity of these groups, and requires that localities match 25 cents of every dollar allocated in funds to mobilize community resources in support of affordable housing; and

Whereas, The program's flexibility also allows state and local governments to use HOME funds for

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grants, direct loans, loan guarantees or other forms of credit enhancement, or for rental assistance or security deposits to low-income people; and

Whereas, Generally, HPD utilizes federal HOME funds to finance the construction and the rehabilitation of housing, including vacant and occupied single room occupancy buildings, small homes and multi-family buildings; and

Whereas, Combined with funding from the Section 8 program, CDBG and HOME funds represent approximately 58% of the HPD's total expense budget, which makes the agency very vulnerable to federal budgetary decisions; and

Whereas, Over the past two federal fiscal years, Congress has reduced funding to the CDBG and HOME programs by 23% and 52% respectively; and

Whereas, These reductions have caused the City to reduce HPD's total staff headcount by 23%; and

Whereas, HPD anticipates further federal budget reductions in the coming fiscal year and reports that if Congress does not restore funding of these programs to their prior levels and increase such support, HPD may be unable to provide up to 650 units of supportive and low income rental housing for those in need, now, therefore, be it

Resolved, That the Council of the City of New York calls upon Congress to restore funding to the Community Development Block Grant program and HOME Investment Partnerships Program to their FY 2011 allocation and to increase funding to these vital programs.

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9/5/12