SENT TO COUNCIL: _____

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: **RE-ALLOCATION OF USES FOR CDBG-R FUNDS**

DATE: July 21, 2009

Approved

Date

INFORMATION

On June 2, 2009, the City Council approved an allocation for $2,700,463 of Community Development Block Grant Recovery (CDBG-R) funds that are available to the City of San Jose from the American Recovery and Reinvestment Act of 2009 (ARRA). The City's application for those funds was due to the U.S. Department of Housing and Urban Development (HUD) three days later on June 5th.

Among other proposed activities, the Council-approved allocation of CDBG-R Funds earmarked: (a) $200,000 to complete energy efficiency and green building improvements at six community centers, three fire stations, and one library; and (b) $1,000,000 to the Clean Tech Careers Fund to cover capital equipment costs of green technology companies expanding in or relocating to San Jose.

In conversations with HUD officials in response to the City's application, City staff was informed that the green building improvements to community buildings would not comply with CDBG-R program regulations and could not, therefore, be funded. Consequently, the Administration revised the City's CDBG-R application to eliminate this category and, instead, increased from $1 million to $1.2 million the funding proposed for the Clean Tech Careers Fund.

LESLYE KRUTKO
Director of Housing

For more information, call Leslye Krutko, Director of Housing, at (408) 535-3851.