

Office of
the Mayor
Burlington,



Bob Kiss
Mayor
Room 34, City Hall
Burlington, VT 05401
Tel: (802) 865-7272
Fax: (802) 865-7270

MEMO

To: Community Development Block Grant Advisory Board

From: Mayor Bob Kiss

Re: CDBG allocation process

Date: January 12, 2011

Dear Advisory Board Members:

This year the City's allocation for CDBG distribution is scheduled to be \$627,158 allocated to development applications with up to an additional \$144,729 allocated to public service applications. The goal of these programs is to develop viable communities by providing safe, decent and affordable housing, expanded economic opportunity and a suitable living environment, principally for low and moderate income people. HUD administers these programs on a national basis and awards grants to entitlement communities and participating jurisdictions – including the city of Burlington – each year on a formula basis. The city in turn supports its own work, awards grants and loans to local nonprofits, as well as providing direct services to residents and businesses through several CDBG-funded programs.

As in years past, the requests from City Departments and other City organizations exceed available funds. The City's CDBG allocation from HUD has decreased since 2002 by \$134,000. As a result, there is simply less funding available to fill requests for grant funding and activity, including to CEDO operations.

CEDO, as a City department, has regularly applied for funding from the CDBG Advisory Board to provide staff and programming for five of the department's distinct activities:

- 1) Brownfields Remediation**
- 2) Neighborhood Revitalization**
- 3) Housing Initiatives Program (HIP)**

4) Business Financing and Technical Assistance
5) Sustainable Economic Development Strategies

This year each of these five distinct sections of the department has made a request for a minimum level of CDBG funding so as to maintain current staff levels to ensure CEDO's ability **to continue the level of service** and programming that the public expects. This **maintenance of effort** is critical in order to sustain economic development and housing momentum in the City. Over the past few years, the department has been able to make up operational deficits with other funding resources such as CDBG-R and EECBG, but these resources are no longer available.

For this CDBG allocation process I am asking that you maintain the level of effort funding requested by CEDO for the five areas identified as development activities and that are included in your packets. I know that difficult choices always must be made to recommend a CDBG budget within limited funding. This is the first time that I believe a necessity exists to protect the maintenance of effort for broad based CEDO work as a first priority and to maintain the staffing capacity to do the work and maintain economic momentum for the next fiscal year by **funding the CEDO applications in the amounts requested in order to maintain the same level of service going forward.**

Thank you for your willingness to serve on the CDBG Advisory Board.

Total CDBG allocation available for development (based on last year's award)	\$627,158
CEDO minimum request for funds	<u>426,200</u>
Remaining balance for allocation	<u>\$200,958</u>

