



## City of Biggs

### Agenda Item Staff Report For the Regular City Council Meeting: May 9, 2017

TO: Honorable Mayor and Members of the City Council

FROM: City Administrator

SUBJECT: Consider official policy position regarding CDBG Trailer Bill

Consider adopting an official city policy position regarding a CDBG Trailer Bill currently opposed by the League of California Cities.

#### **Background**

The attached opposition letter is from the League of California Cities as are the following points:

The League issued an action alert and an [opposition letter](#) earlier today on proposed [trailer bill language](#) sponsored by the Department of Housing and Community Development (HCD) that proposes major changes to the Community Development Block Grant (CDBG) program, including provisions that would significantly reduce funds available for local economic development.

These federal CDBG funds are traditionally allocated by HCD to "non-entitlement" cities (under 50,000 population) and counties (under 200,000 population). Many of these communities are in California's rural areas that have been losing population and facing harder times than other regions of the state. These areas depend on these funds to attract and retain business in their communities, operate revolving loan programs to assist local businesses and other activities.

What is particularly surprising is that HCD does not appear to have vetted a proposal of this magnitude with the affected small cities and counties which use these programs. In brief, the proposal would cut the longstanding share of CDGB economic development funds in half (from an existing 30 percent set-aside to 15 percent) and then eliminate it entirely if total funding falls below \$25 million — something highly likely given President Trump's recent proposals.

The League is joined in opposition by the California Association for Local Economic Development (CALED), which also issued an [opposition letter](#).

Such a major proposed change should not be put through as a budget proposal, but rather, given the impacts on many small cities and counties, HCD should be expected to thoroughly vet this proposal with affected cities and counties and propose related changes through the usual policy process.

Cities with populations under 50,000, which are considered under federal "non-entitlement"

jurisdictions under HUD, should contact their legislators immediately and urge opposition to this proposal.

**Recommendation:**

Adopt an official City position of opposing the CDBG Trailer Bill in its current form. Authorize the Mayor and City Administrator to oppose.

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Mark Sorensen, City Administrator



1400 K Street, Suite 400 • Sacramento, California 95814  
Phone: 916.658.8200 Fax: 916.658.8240  
www.cacities.org

May 2, 2017

The Honorable Jim Cooper, Chair  
Assembly Budget Subcommittee #4  
CA State Assembly  
State Capitol Building, Room 6025  
Sacramento, CA 95814  
VIA FAX: 916-319-2109

**RE: CDBG Trailer Bill Language RN 17 13279  
Notice of Opposition**

Dear Chairman Cooper:

Late yesterday we received a copy of proposed trailer bill language sponsored by the Department of Housing and Community Development (HCD) that proposes major changes to the Community Development Block Grant (CDBG) program, including provisions that would significantly reduce funds available for local economic development.

These federal CDBG funds are allocated by HCD to "non entitlement" cities (under 50,000 pop) and counties (under 200,000 pop). Many of these communities are in the state's rural areas that have been losing population and facing harder times than other regions of the state, and depend on these funds to attract and retain business in their communities, operate revolving loan programs to assist local businesses and other activities.

What is particularly surprising is that HCD does not appear to have vetted a proposal of this magnitude (*cut the longstanding share of CDGB economic development funds in half (from 30% to 15%) and eliminate it entirely if total funding falls below \$25 million—something highly likely given President Trump's recent proposals*) with the affected small cities and counties which use these programs.

Such a major proposed change should not be put through as a budget proposal, but rather, given the impacts on many small cities and counties, HCD should be expected to thoroughly vet this proposal with affected cities and counties and propose related changes through the usual policy process.

For these reasons, the League regretfully opposes the language in the CDBG trailer bill. If you have any questions regarding the League's position on this bill, please do not hesitate to contact me at (916) 658-8222.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Carrigg".

Dan Carrigg  
Deputy Executive Director, Legislative Director

cc: Members, Assembly Budget Subcommittee #4  
Members, Senate Budget Subcommittee #4