



MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 110-2007

LETTER TO COMMISSION

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TO: Mayor David Dermer and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: May 9, 2007

SUBJECT: Community Development Block Grant (CDBG) Funding Opportunities

Each year, the City of Miami Beach receives federal entitlement funds from the United States Department of Housing and Urban Development (HUD), the Community Development Block Grant (CDBG) program and the HOME Investment Partnerships Program (HOME). Since 1974, the City has used CDBG funds to assist low and moderate-income residents by providing an array of services and capital improvements based on the highest need of our community. The Neighborhood Services Department, Housing and Community Development Division administers the CDBG program. This year, a Request for Proposals (RFP) was issued on March 29, 2007, for all interested applicants to apply for funding. All applications with the exception of those for public service activities were accepted until April 27, 2007. The applications for public service activities are being accepted until May 14, 2007.

Advertisements announcing the availability of CDBG funds are placed in the Miami Herald and in the local Spanish print media. The Neighborhood Services Department, Housing and Community Development Division, also sent letters to organizations and persons who have requested to receive notification of the availability of CDBG funds in the past. To date, there have been 36 applications submitted in response to the CDBG RFP. The total amount of all requests to date is \$3,300,444. As in previous years, the amount requested far exceeds the amount of funds that HUD has allocated to the City of Miami Beach for FY 2007/08. The City has been notified by HUD that for fiscal year 2007/08, the City is expected to receive \$1,790,228 for CDBG funding. This is an approximate .5% decrease in funds received compared to the FY 2006/07 allocation of \$1,798,088.

Each year, one of the most competitive areas for funding is the CDBG public services category. Federal regulations place a funding cap on the amount available for public services that can be distributed at 15% of the entire entitlement award. For FY 2007/08, the amount allocated to public services will be \$268,354.

As you are well aware, next year will be a very difficult budget year for the City of Miami Beach. Although Tallahassee has not yet reached consensus on a property tax plan, we fully anticipate and expect that there will be an adverse budgetary impact to the City. Therefore, I would like to encourage you to notify any organizations that may need public service funds to submit an application before the deadline of May 14, 2007. Based on the City's budgetary constraints for FY 2007/08, this will be a community based organization's only opportunity to be considered for funding.

Should you have any additional questions, please do not hesitate to contact my office.

JMG/HMF/vg

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