



**Sonoma County Community Development Commission**  
Housing Authority • Redevelopment Agency  
1440 Guerneville Road, Santa Rosa, CA 95403-4107

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Commission*

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**MEMORANDUM**

Date: May 8, 2009  
To: Community Partner Agencies  
From: Mark Krug, Community Development Manager

Subject: Request for Letters of Intent for Community Development Block Grant Program Funding Under the American Recovery and Reinvestment Act of 2009 (CDBG Recovery or CDBG-R program)

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**Introduction and General**

On May 5<sup>th</sup>, we received notification from the Department of Housing and Urban Development (HUD) that additional stimulus funding is now conditionally available to our Urban County in the amount of \$534,690. Part of the Federal Economic Stimulus Initiative, this is a supplemental appropriation of FY 08-09 CDBG funding and requires immediate action in order to meet extremely compressed time lines.

Generally, CDBG rules and regulations will apply but some requirements have been waived or modified in order to meet the national goal of having an immediate economic impact. In order to receive these monies, we must submit certain documentation to HUD by June 5. This, in turn, will require Board of Supervisors action on June 2. In order to meet these dead lines, we will convene our two CDBG advisory committees concurrently on May 19 (tentative) and hold a 7-day public comment period from May 19 to May 26. This will require that we tentatively identify suitable projects and programs to consider for CDBG-R funding by May 15.

Accompanying this memo is a Letter of Intent (LOI) form for interested applicants to fill out and return by May 15 in order that we can build of a list of appropriate proposal to further assess for compatibility with the CDBG-R initiative.

**CDBG-R Goals and Objectives**

Funding under the Recovery Act is intended to stimulate the economy through measures that modernize infrastructure, improve energy efficiency and expand educational opportunities and access to health care. Proposed projects must be consistent with these goals. While all typical uses of CDBG funds are allowed, Congress and HUD strongly urges funds be spent to further economic investment, increased energy efficiency and job creation or retention. For example, hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings would be acceptable. Priority shall be given to projects that can award contracts based on bids by October 1, 2009, with a goal of using at least 50% of the funds for activities that can be initiated by June 17, 2009.



The use of CDBG-R funds for all activities must maximize job creation and economic benefit, and best address the Recovery Act goals by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

For each activity, the number of full- and part-time jobs created and retained by the activity must be estimated.

### **Eligible Uses of Funds**

Activities that promote energy conservation, smart growth, green building technologies or reduced pollution emissions are eligible and encouraged. Economic development, housing, infrastructure, and public facility projects that support these goals are eligible. Subject to public comment, advisory committee input and Board approval, 75% of the funds (\$401,018) will be allocated to capital projects, 15% or \$80,203 for public services (the maximum allowed by federal rule) and the remaining 10% for use by the CDC for program planning and general administration. Proposals that best meet the intent of the federal CDBG-R program will be prioritized for funding consideration.

### **Letter of Intent (LOI) Submission**

Attached are two forms of a blank LOI; one for capital projects and the other for public services (non-capital) proposals. Most of the elements of the LOI form are there to assist us in assessing compatibility with CDBG-R program purposes. Some clearly are more applicable to capital projects than public services but are included in both forms. Readiness to proceed is a key component in all cases and agencies should only submit proposals for projects or programs that can realistically be undertaken immediately. Agencies can submit multiple LOI's in either or both categories. LOI's may also be found at S:\Commun-Devel\CD ACTIVITIES\CDBG\CDBG-R or by emailing staff and requesting an electronic version.

***Completed LOI's must be returned to the CDC by 5:00pm on Friday, May 15.*** LOI's will be accepted in person (1440 Guerneville Road, Santa Rosa), by fax (565-7583) or as a PDF email attachment to [mkrug@sonoma-county.org](mailto:mkrug@sonoma-county.org). Please retain existing pagination and limit to the three pages provided. Based on an assessment of the LOI's received, applicants with proposals that are the most compatible with the CDBG-R program will be asked to submit full proposals.

For additional information, please contact Cathy Allyn, Community Development Associate at 565-7541 or [callyn@sonoma-county.org](mailto:callyn@sonoma-county.org).