



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



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July 10, 1984

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JUL 11 1984

City Council of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT Needs Hearing on the Urban
Development Action Grant Program

APPROVED
BY THE CITY COUNCIL

JUL 17 1984

SUMMARY

This report regards a public "needs hearing" required as part of the U. S. Department of Housing and Urban Development (HUD) Urban Development Action Grant (UDAG) program. There is no action required other than receiving citizen input.

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CITY CLERK

BACKGROUND

In 1978, the Urban Development Action Grant (UDAG) program was created with the objective of encouraging private investment in the nation's cities and to create new permanent private sector employment. The program is to provide financial assistance to help projects which cannot secure full conventional or bond financing or projects which are not otherwise financially feasible to be able to be developed.

The UDAG program is funded at a level of \$440 million annually and is nationally competitive. Projects are selected based on need for assistance and the amount of private funds the UDAG funds "leverage", the number of new jobs created, the cost per job created and how the UDAG funds are "recaptured" by the City or Agency to be used for other eligible Community Development Block Grant activities. The project selection criteria also provides points based on the level of impact and distress in a city based on demographic data such as the median family income, percentage of families below the poverty level, unemployment, the percentage of housing built before 1940 and other demographic factors.

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The UDAG regulations now require a "needs hearing" prior to the public hearing on the details of any specific project. This needs hearing will meet the requirement for any future UDAG projects which the City may consider.

A public notice regarding this "needs hearing" was published in a local newspaper in July 11, 1984, (see Exhibit I).

FINANCIAL DATA

The proposed action has no financial implication on the City or Agency.

POLICY IMPLICATIONS

The proposed action is within current established City policy and no policy changes are recommended.

RECOMMENDATION

There is no action required by the City Council, other than conducting the needs hearing to provide the opportunity for residents to comment on the value of using the UDAG program to encourage new development and the creation of new jobs, particularly lower income and minority jobs, for the community.

Respectfully submitted,

William H. Edgar

William H. Edgar
Executive Director

RECOMMENDATION APPROVED:

Walter J. Slupe

Walter J. Slupe
City Manager