

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 442

Approved August 8, 1986

RESOLUTION AUTHORIZING THE CITY COUNCIL OF THE
CITY OF PROVIDENCE, RHODE ISLAND, TO FILE A
STATEMENT OF OBJECTIVES AND FUNDING UNDER THE
HOUSING AND COMMUNITY DEVELOPMENT ACT

WHEREAS, the City of Providence is eligible to receive
Community Development Block Grant Entitlement Funds for fiscal
year 1986 under Section 106(a) or (h) of Title I of the Housing
and Community Development Act of 1974 and the Housing and
Community Development Technical Amendments Act of 1984 (Public
Law 98-479) and

WHEREAS, The Statement of Objectives and Funding shall be
filed with the Boston Area Office of the Department of Housing
and Urban Development as soon as possible.

NOW, THEREFORE, The City Council of the City of Providence,
County of Providence, State of Rhode Island, hereby authorize the
City of Providence, through its official representative, the Mayor,
to file a STATEMENT OF OBJECTIVES AND FUNDING with the Boston Area
Office of the Department of Housing and Urban Development for the
purpose of obtaining Community Development Block Grant Funds.

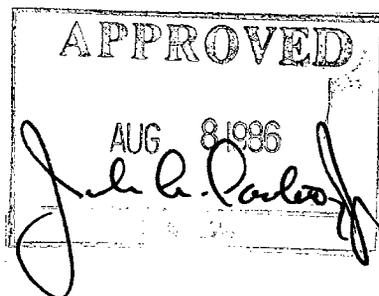
IN CITY COUNCIL

AUG 7 1986

READ AND PASSED

Richard W. Enton PRES.

Thomas Mendonca CLERK



FILED

APR 25 3 21 PM '86

DEPT. OF CITY CLERK
PROVIDENCE, R.I.

**THE COMMITTEE ON
URBAN REDEVELOPMENT
RENEWAL & PLANNING
Approves Passage of
The Within Resolution**

Rose M. Mendonca
Chairman

Clerk
August 4, 1986

IN CITY COUNCIL

MAY 1 1986

FIRST READING

REFERRED TO COMMITTEE ON

**URBAN REDEVELOPMENT
RENEWAL & PLANNING**

Rose M. Mendonca
CLERK

*Councilman Glavin, Councilman Dillon
and Councilwoman Sargnoli (By Request)*



Department of Planning and Development

"Building Pride In Providence"

April 24, 1986

Councilman Nicholas Easton, President
The Providence City Council
c/o City Clerk's Office
City Hall
Providence, RI 02903

Dear Council President Easton:

I am transmitting for review and action by the City Council a Resolution authorizing Mayor Paolino to submit on behalf of the City a Statement of Objectives and proposed budget for the Community Development Block Grant - Program Year 12.

As you know, the US Department of Housing and Urban Development has instructed us to prepare our budget reflecting a 30% funding decrease from last year's amount. This serious cutback includes a Federal appropriations cutback, the effects of the Gramm-Rudman deficit reduction process and a Presidential deferral of \$500,000,000 in previously appropriated CDBG funds. Therefore, we will be submitting for your review a budget in the amount of \$4,874,000.

We are requesting your prompt action on this resolution to allow us to submit our Statement of Objectives to the Department of Housing and Urban Development on or about May 31, 1986.

My staff and I are available, of course, to discuss the CDBG program in detail.

Sincerely,

Arthur J. Markos
Director

AJM/rvf
hp

Enclosure

CITY OF PROVIDENCE
COMMUNITY DEVELOPMENT BLOCK GRANT

STATEMENT OF OBJECTIVES
12TH PROGRAM YEAR

Arthur J. Markos
Director

Joseph R. Paolino, Jr.
Mayor

DEPARTMENT OF PLANNING AND DEVELOPMENT

STATEMENT OF OBJECTIVES

Introduction

The City of Providence announced its 11th Year Community Development Block Grant Statement of Objectives almost coincidentally with the reorganization of all major development activities under the auspices of a single new consolidated department. This reorganization, now complete, has finally brought the staff expertise of three previously separate agencies under one roof. The transition for CDBG activities has been relatively smooth. The program elements which required complete reorganization, specifically housing assistance and economic development, are now effective and well run programs. The housing assistance and economic development activities now are accepting and processing applications and assistance.

This year, we have made real progress in the integration of the Providence Redevelopment Agency efforts, the Community Development Block Grant programs, and the Providence Local Development loan fund program into a coherent development strategy. The divisions of Planning, Project Management, Neighborhood Services and Administration, are working effectively to implement projects and to provide technical assistance for several new City initiatives. Perhaps the most exciting project developed this year is the reuse of the Outlet Building for more than 300 residential units in the Downtown neighborhood. By using a sophisticated financing plan

involving the sale of a City UDAG asset, this historic structure is being saved from demolition and will be a key component of the Downtown neighborhood.

Another major initiative has been the Vacant Land Improvement Program, which will receive funding again in this budget year. This program will provide a quick, effective way for residents to purchase and improve blighted, abandoned lots. This program combines the ability of the Providence Redevelopment Agency to condemn property and offer clear title to new, interested owners and funding from the CDBG. This program will have a major impact for low/moderate income neighborhoods where lots, now strewn with litter and abandoned cars, can be purchased at a low cost by abutting owner/occupants or neighborhood groups and used for gardens, side yards, or in-fill housing.

The Program which is outlined in this Statement of Objectives is one that predominantly benefits low and moderate income persons. We estimate that at least sixty (60%) percent of our program dollars will directly benefit low and moderate income persons through direct housing assistance programs, social services, parks rehabilitation, vacant land reuse, and economic development. In general the program suggested here provides assistance to existing programs funded with CDBG resources in the past. We propose direct housing assistance to low income owner/occupants, support for non-profit housing service/development agencies, and administrative

support for our in-house rehabilitation programs. We intend to fund public service agency human service providers with a set-aside of \$1,480,000.00. This represents a 7.5 percent cut from last year's program. Further progress will be made in revitalizing parks in low income neighborhoods--some funding will be made available for a vacant lot reuse program and some public infrastructure improvements made.

We believe that this budget, while cutback seriously, will still serve in a meaningful way the low and moderate population of Providence, by holding direct program services at last year's level.

COMMUNITY DEVELOPMENT BLOCK GRANT - 12 YEAR

Budget Category

Housing

Direct Assistance	\$459,200
Non-Profit Housing Program	332,075
Program Administration	314,000
Indian Council Loan	300,000

Public Services

Social Programs	1,480,000
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Community Facilities

Nickerson House	35,000
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Public Infrastructures

Streets & Sidewalks	200,000
Building Boarding & Demolition	100,000
Fire Equipment	100,000

Parks & Open Spaces

UPARR Local Match/Parks Rehab.	150,000
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Vacant Lot Re-Use Program

Program Funds	110,000
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Economic Development

Direct Assistance	600,000
Program Administration	300,000

Contingency

219,725

General Administration

,1,176,000

Total Entitlement

\$5,876,000

COMMUNITY DEVELOPMENT BLOCK GRANT

The 12th Year Community Development Block Grant proposes a budget amount which is fifteen (15%) percent less than the previous year. This cutback is borne for the most part by the line items of public infrastructure, direct housing assistance and administration. Every attempt has been made to preserve the program dollars that are used for direct services to low and moderate income residents of the City, and social services and housing non-profit agencies are funded at One Hundred (100%) percent of last year's level.

The Programs to be funded for the 12th Program Year are:

A. Housing:

Direct Assistance - In-house Program Funds totaling \$459,200 will be made available for direct loans to eligible home owners to make needed repairs to their property. These repairs may include exterior painting for elderly/handicapped lower income owners or more extensive repairs to deteriorated properties. We anticipate that these funds will assist more than one hundred properties in the city.

B. Non-Profit Housing Programs - The CDBG has been used creatively and effectively over the past decade to support various neighborhood based non-profit housing programs in Providence. In this year, these groups will receive a

cutback of 7.5 percent in their funding because we believe sufficient funding to continue their program efforts is vital to the City's neighborhoods. The amount of \$332,075 will be allocated for the following groups:

These programs include:

The Elmwood Foundation - a support program for architectural preservation and housing rehabilitation in the Elmwood neighborhood.

Elmwood Neighborhood Housing Services - a partnership program among the City, financial institutions and neighborhood residents which undertakes high risk loans, housing inspections, rehabilitation assistance and neighborhood improvement projects in Elmwood.

CHOICE - an affirmative marketing and outreach program for real estate sales in Elmwood.

SWAP - (Stop Wasting Abandoned Property) - assistance to low income purchasers of abandoned houses.

Providence Preservation Society - Revolving Fund - loans and technical assistance to property owners in West Broadway and Upper South Providence.

West Broadway Incentive Corporation - program outreach and coordination for the West Broadway neighborhood.

Women's Development Corporation - support for development of low income housing resources.

C. Program Administration - Funds are provided totaling \$314,000 for expenses relating to the administration of direct housing services provided by the CDBG, monitoring and program related services (income verification, review of specifications etc.) for the non-profit housing programs and the Rental Rehabilitation program.

D. Indian Council Housing Development Loan - The City of Providence has recently made an application for a Housing Development Action Grant to support the development of 36 new housing units in Upper South Providence. A joint financing plan has been negotiated involving the HDAG, a mortgage from the Rhode Island Housing & Mortgage Finance Corporation, private fund raising and a \$300,000 loan from the 12th year CDBG.

Public Services:

In the 12th Program Year, the human service providers funded through CDBG will receive a funding cutback of 7.5 percent. But because of the near certainty of Federal

cutbacks in the future we may suggest a challenge funding program for a portion of 12th Year funds. We believe that it is necessary to encourage fund raising and diversification of funding sources and through these efforts, we believe that the public service programs will grow stronger and will be better able to deal with future cutbacks.

Eleven community centers (DaVinci, Mt. Hope, Elmwood, Federal Hill, Hartford Park, Joslin, Nickerson, Silver Lake, Smith Hill, West End, Washington Park) - will receive funds for a second year under a block grant concept. Using this approach, community centers will participate with staff in preparing budgets which are flexible in meeting individual neighborhood needs. Additionally, single purpose programs including Roger Williams Day Care, and Senior Citizens Transportation as examples will be funded. The total amount made available for public services in the 12th Year will be \$1,480,000.00.

Community Facilities:

The CDBG has been used to a large extent over the past decade to build and rehabilitate community centers in our neighborhoods. Last year, we allocated \$100,000 to assist the Nickerson Community Center in Olneyville with needed rehabilitation. This year, we have made an additional \$35,000 available which will complete our contribution to a \$1,000,000 private fund raising campaign.

Public Infrastructure:

The CDBG will be used to make targeted public improvements and provide urgently needed funding for emergency boarding of buildings and the purchase of fire fighting equipment. The total funding for these items will be \$400,000 for the 12th Year.

Parks & Open Spaces:

The CDBG will make available \$100,000 as the required local match for an HCRS Application the City is preparing. These funds will be used for the rehabilitation of parks located in and serving low and moderate income neighborhoods. A preliminary list of projects includes, Asham Field, Candace Street Playground, Davis Park, Fox Point Fields, Ridge/Knight Streets Park, Sackett Street Playground, Baxter Street Playground, Ellery Street Park and Wallace Street Playground. In addition, \$50,000 will be made available for other parks rehabilitation efforts.

Vacant Lot Program:

The more deteriorated neighborhoods in Providence are blighted by a large number of vacant lots which are most often sites for illegal dumping, abandoned cars, broken glass and are breeding sites for rats. The City has aggressively enforced laws regarding dumping and abandoned cars and is now ready to obtain title and legal control of these lots in order to make them available to adjoining owners for creation of side yards, gardens, neighborhood parking or in-fill housing. The CDBG

funds allocated in the amount of \$110,000 will support this program including the costs of acquisition, site clearance and administrative expenses.

Economic Development:

The City of Providence is currently experiencing a period of increased investment and business activities. The CDBG will make available \$600,000 in program funds and \$300,000 in administrative funds to support projects which will expand the City's tax base and create or retain jobs for low and moderate income residents.

Contingency:

A contingency amount of \$219,725 has been set aside for unanticipated program expenses.

Administration:

The general (non program specific) administration cost has been budgeted at \$1,176,000 for the 12th Program Year.

MEMORANDUM

TO : Councilman Thomas O'Connor

FROM : Arthur J. Markos, Director
Department of Planning and Development

RE : 12th Year CDBG Budget

DATE : August 7, 1986

As you requested, I have drafted a brief statement position statement regarding the 12th Year CDBG entitlement for the City of Providence.

It is important to note that this budget is 15% less than our budget last year. This decrease has been allocated primarily to Direct Housing Assistance, Public Infrastructure (streets, sidewalks, fire equipment) and administration. This budget decreases funding for social programs and the non-profit housing programs by only 7.5%. We are certain that these funding levels will allow continuation of needed programs and services. Since no budget increases are possible programs may not be able to increase service levels, but programs will be preserved at a reasonable level with only a 7.5% cutback.

Other program components will also continue including direct housing assistance, parks rehabilitation, community facilities and public infrastructure improvements. This budget suggests two new major program components. The first is increased funding for the vacant lot re-use program. This year \$110,000 will be made available to facilitate the re-use of blighted lots in our neighborhoods. In addition, this budget provides \$300,000 in funding for the Indian Council Housing Development in Upper South Providence. This funding along with a Housing Development Action Grant and RIHMFC financing will provide 36 units of badly needed affordable housing. It is very important to note that these programs are new initiatives even in budget year of decreasing resources.

We believe that this budget represents a balance between services provided for many years and new initiatives. We are especially pleased to offer a budget which decreases direct program expenses for human services and neighborhood housing services by only 7.5% and which provides a balanced positive approach to the needs of our neighborhoods.

FILED

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