

RCA FORM (OFFICE USE ONLY)

MEETING/DATE: 6/7/16

Regular (X) Special () Work Session ()

ATTACHMENT: YES(X) NO()

Report (X) Resolution () Ordinance (X)

Bill #

Request for Council Action

Wards: N/A

Sponsor: Mary Ann Ohms

Description: An ordinance authorizing the Mayor and City Clerk to execute the amended budget for 2016 Annual Action Plan for Year Five of the Five Year Consolidated Plan for 2012 – 2016 for use of Community Development Block Grant (CDBG) funds through the U.S. Department of Housing and Urban Development (HUD), and to amend the CDBG 5 Year Consolidated Plan 2012-2016 to a new 5 year plan 2016-2020 to align plan years with St. Louis HOME Consortium as required by HUD.

• **Contract Extension/Renewal:** Yes() No(X)

• **Information Paper Attached:** Yes(X) No()

Board/Committee/Commission: Approve() Disapprove()

Summary:

Budge Amendment

On October 6, 2015 a bill was introduced, and on November 3, 2015 the bill was approved for the Consolidated Annual Action Plan for January 1, 2016 - December 31, 2016 which is the application and local government certifications to HUD for CDBG, and is Year Five of the Five Year Consolidated Plan 2012-2016. Although the City had not received notification of its grant award for 2016, the budget estimate was based upon the FY15 CDBG allocation. The 2016 CDBG projected allocation was \$324,929 plus the receipt of approximately \$50,000 from loan repayments with a total proposed budget of \$374,929. On February 16, 2016 HUD announced the City's CDBG funding allocation of \$333,137. The FY16 allocation is \$8,208 more than anticipated, which is less than a ten percent change to the FY2016 Annual Action Plan budget.

Five Year Consolidated Plan

On or about May 1, 2016 the City was notified by HUD as per **24 CFR 91, Subpart E-Consortia; Contents of a Consolidated Plan.** As a member of the St. Louis HOME Consortium, the City of St. Charles, Missouri is required to be on the same program year as that of St. Louis County, the HOME Consortium lead, (In FY2015, the City of St. Charles was in program year four of a five year period). This change will mean that in FY2016, the City of St. Charles will instead be in program year one to align with that of St. Louis County, instead of program year five.

Below is the revised budget for Fiscal Year 2016 which increases funds for the following activities:

- Home Improvement Program \$5,335,
- Administration 1,642,
- Public Services \$1,231,

- The CDBG FY16 funding allocation is \$333,137
- Projected receipt of \$50,000 for loan payoffs
- Total budget of \$383,137.

The FY 2016 funding allocations for the amended CDBG Consolidated Plan 2016-2020

Project Name	Allocation	Explanation
Home Improvement Program	\$146,540	Loans & Grants\ home repairs for low-moderate income residents.
CDBG Administration	\$ 66,627	Program operations, fair housing, training, public notices. HUD Regulations cap administration funds at 20% of annual allocation, and allow for 20% of program income receipts to fund admin.
Code Enforcement	\$70,000	CDBG area specific.
Public Services	\$ 49,970	Divided among applicants to support CDBG goals & objectives. HUD Regulations cap this activity at 15% of annual allocation, and allows for 15% of program income receipt to fund additional public services.
Plus Anticipated Program Income	\$ 50,000	Funds received from loan payoffs will provide 20% for administration and 15% for public services and the remainder to fund additional home improvement loans and grants.
Total	\$383,137	FY15 Allocation \$333,137 plus estimated program income of \$50,000.

The amended Consolidated Plan 2016 – 2020, and the Year One 2016 Annual Action Plan, the amended CPMP Project forms, the SF 424 Application, and CPMP local government certifications are attached as Exhibit 1. The allocation letter from HUD and the Notice of Public Comment Period is attached as the Report.

STAFF RECOMMENDATION: Staff recommends approval of the attached bill authorizing the Mayor and City Clerk to execute the budget and submit to HUD the FY 2016 Consolidated Annual Action Plan, for Year One of the Five Year Consolidated Plan for 2016-2020 for use of CDBG funds.

Budget Impact: (Annual Entitlement Grant Award.)

Account #: 207-101-001 through 207-090-059-769-090 Fiscal Impact: Annual Grant Project #:N/A

RCA prepared by: Anita Telkamp Dept. Dir. _____ Finance Dir. _____ Dir. of Admin. _____