



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

Community Development

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TO: Legal and Finance Committee

FROM: Trish Anderson ^{TA}
Community Development Department

RE: Approval of the Five Year Consolidated Plan and the Fiscal Year 2003 Annual Action Plan

DATE: April 24, 2003

Staff is seeking City Council approval for the Five Year Consolidated Plan and the Fiscal Year 2003 Annual Action Plan. Both of these documents need to be submitted to Department of Housing and Urban Development by May 12 in order to receive Community Development Block Grant funds by July 1, 2003. Submittal of the Consolidated Plan document is also required for a myriad of other Department of Housing and Urban Development funding programs which various non-profit groups in the community apply for and benefit from.

The City's allocation of funds from the Department of Housing and Urban Development for fiscal year 2003 is \$614,000 which is a 7.8% decrease from last year's allocation. Allocation awards are based upon a formula using 2000 Census data and a ranking among other metropolitan entitlement communities. The funding requests for fiscal year 2003 year totaled \$1,635,737. Staff notes that federal regulations allow the City to use up to 15% of their entitlement public service activities (\$92,100), although the City can spend less than this amount. Administration costs for the Community Development Block Grant program may not exceed 20% of the combined entitlement grant and program income received (\$127,800).

Program income is income generated from previously funded Community Development Block Grant and Urban Renewal projects. The City receives approximately \$25,000 of program income annually, all of which must be used for Community Development Block Grant eligible activities. Typically the program income funds are either programmed to an activity later in the program year after their actual receipt, or carried forward to the next program year for other eligible activities.

The Subsidy Committee made the funding decisions contained in the Annual Action Plan based upon the benefit to low and moderate income persons in the community, the Department of Housing and Urban Development eligibility criteria, the project feasibility, the need for an activity in the community, and the ease to which the project may be completed in a shortened program year. A list of all of the projects funding requests as well as those recommended for Community Development Block Grant funding is attached.



The public input on this process has been considerable. Numerous meetings have been held with local community and economic development officials, non-profit housing and community development agencies, and city officials. The draft Five Year Consolidated Plan has been posted to the City's web site and copies have been available for review both in the City Planning Department and the Rapid City Public Library. Two public hearings were held and advertisement for those public hearings appeared both in the Rapid City Journal and the Lakota Journal.

The second public hearing was held April 14, 2003. It was attended by six individuals, all representing agencies whom had submitted CDBG funding requests. Individuals promoting the construction of a business incubator in the Rushmore Business Park requested further consideration for funding, citing the need for long term growth of quality jobs in the area. The Subsidy Committee did not recommend for funding their \$200,000 request. The Director of Western Resources for the Dis-Abled requested that this agency be included in the funding allocation. She noted that they have a waiting list of over a year for home modification projects. Attendees from Working Against Violence, Inc., the Gandolf Group who will construct 72 affordable rental units, and Habitat for Humanity also endorsed their projects and requested that these projects remain on the CDBG funding list.

Staff Recommendation: Approve for submittal to Department of Housing and Urban Development the Five Year Consolidated Plan and the Fiscal Year 2003 Annual Action Plan.