



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

GROWTH MANAGEMENT

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MEMORANDUM

TO: Public Works & Legal and Finance Committees

FROM: Barbara Garcia, Community Development Specialist

DATE: February 4, 2005

RE: **Final Approval of the Fiscal Year 2005 Community Development Block Grant Funding Allocations**

Staff is seeking final approval of the Fiscal Year 2005 Community Development Block Grant recommended allocations.

Attached for your review is a spreadsheet showing the requests for Community Development Block Grant funding and the Subsidy Committee's recommendation for funding allocations. The estimated award of funds from HUD for FY 2005 was \$578,000, plus program income received in 2003 from local programs of \$30,000, for a total of \$608,000. The \$608,000 included all project activities and program administration. Funding requests for FY 2005 totaled \$1,070,874.

HUD released the actual FY 2005 Entitlement Grant amount after Council approved the proposed allocations. The grant entitlement will be \$564,871, a \$13,129 reduction from the estimated amount used in the proposed funding allocation approved by Council. The verified program income for 2003 is \$30,798, a \$798 increase. Council will need to reduce grant allocations by a total of \$12,331. The Subsidy Committee has reviewed the allocations for reductions in the amount of \$12,331 and their suggested reductions are shown in the next to last column.

The total money available for all categories of funding allocation equals \$595,669. Staff notes that federal regulations set the following limitations on expenditures:

- Maximum allowable Administration allocation (20%) equals \$119,133.
- Maximum allowable Public Services allocation (15%) equals \$89,350. The City may approve less than this amount or may choose not to fund public service activities.



EQUAL OPPORTUNITY EMPLOYER

- The remaining balance of funds, \$387,186, is recommended to be allocated to Housing and Public Facilities and Improvements.

The Subsidy Committee recommends the following changes to the proposed allocation, to meet the \$13,129 reduction in funds:

	<u>Reduce from</u>	<u>to</u>	<u>reduction</u>
Program Administration	\$121,600	\$119,133	(\$ 2,467)
RC Neighborhood Restoration Program	\$103,304	\$ 95,290	(\$ 8,014)
Catholic Social Services	\$ 15,000	\$ 14,537	(\$ 463)
Salvation Army	\$ 36,240	\$ 34,879	(\$ 461)
YMCA	\$ 15,332	\$ 14,869	(\$ 463)
Youth & Family Services	\$ 15,868	\$ 15,405	(\$ 463)
		Total Reductions =	(\$12,331)

The funding recommendations were made by the Subsidy Committee based upon Department of Housing and Urban Development eligibility requirements, the benefit to low and moderate income persons in the community, the project feasibility and cost effectiveness, compliance with the needs and priorities of the community, as identified in the Rapid City Five Year Consolidated Plan, and the applicant's demonstrated ability to complete the project in the program year.

Two public hearings have been held and no comments were received. Comments from the 30 day public comment period ending February 8 will be submitted to Council on February 21, for final review and approval. Two agencies have provided written requests for reconsideration for funding for their programs, Dakota Legal Services and Western Resources for dis-abled Independence, and one has provided a verbal request, Teton Coalition, Inc. The comments received to date are attached.

The activities to be funded and the funding changes will be included in the FY 2005 Amended Annual Action Plan.

Recommendation: The Subsidy Committee recommends approval of the Community Development Block Grant funding for FY2005, as amended.

COMMENTS RECEIVED FROM THE PUBLIC

There is a thirty-day comment period from January 8, 2005 to February 8, 2005 during which the public may comment on the proposed activities for FY 2005 for the Community Development Block Grant funds.

Two Public Hearings are also being held on January 12, 2005 and January 26, 2005 during which the public may comment on the proposed activities for FY 2005 for the Community Development Block Grant funds. They may also comment on needs and issues regarding affordable housing.

Public Hearings – held to date:

There was only one person who attended the public hearing held on January 12, 2005. That person said they had no comments to make, but had just come to hear what others had to say.

No one attended the second public hearing held on January 26, 2005.

Public Comments received to date:

Staff has received phone calls from three agencies requesting reconsideration by the Council for funding for their agencies.

Dakota Legal Services is requesting reconsideration for funding.
Documentation has been received and is attached.

Western Resources for dis-Abled Independence is requesting reconsideration for funding.
Documentation has been received and is attached.

Teton Coalition, Inc. is requesting reconsideration for funding.
No documentation has been received at this time.