



# **CITY OF RAPID CITY**

## **RAPID CITY, SOUTH DAKOTA 57701-2724**

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### **Community Development Department**

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## **MEMORANDUM**

TO: Legal & Finance Committee

FROM: Barbara Garcia, Community Development Specialist

DATE: May 13, 2009

RE: Preliminary approval of Amendment #2 to the FY 2008 Community Development Block Grant (CDBG) Annual Action Plan to include Community Development Block Grant Recovery Funds (CDBG-R) in the amount of \$132,734

Staff is seeking preliminary approval of an Amendment to the Fiscal Year 2008 Community Development Block Grant Annual Action Plan.

Staff received notice from HUD that Rapid City will receive a supplemental appropriation from the American Recovery and Reinvestment Act, designated as CDBG-R, in the amount of \$132,734 (approximately 27% of the FY 2008 Entitlement Allocation). Not more than 10% (\$13,273) of the funding may be used for Planning & Administration, and not more than 20% (\$27,546) may be used for Public Services.

The City must submit a major program amendment to HUD by June 5, 2009 in order to receive the funds. A seven (7) day public comment period must be accomplished before final Council approval of the amendment and submission to HUD. Activities must be initiated within 120 days of enactment of the Act.

Funding under the Recovery Act has clear purposes- to stimulate the economy through infrastructure modernization, energy efficiency and to expand educational opportunities and access to health care. HUD strongly urges use of the funds for hard development costs associated with infrastructure activities, economic development, public facilities activities that spur further economic investment, increased energy efficiency, access to health care, and job creation or retention.



**EQUAL OPPORTUNITY EMPLOYER**

Staff recommends funding allocations for the following agencies as outlined on the attached recommendation sheet:

*Public Facilities & Improvements*

- |                                 |          |
|---------------------------------|----------|
| • Rural America Initiatives -   | \$24,200 |
| • Behavior Management Systems - | \$25,161 |
| • Bethel Assembly of God-       | \$30,000 |
| • Living Hope Academy -         | \$13,600 |

*Public Services*

- |                          |          |
|--------------------------|----------|
| • Bethel Assembly of God | \$26,500 |
|--------------------------|----------|

*Administration*

- |   |          |
|---|----------|
| • City of Rapid City – Grant Administration - | \$13,273 |
|---|----------|

After preliminary Council approval of the proposed allocations, a draft of the Amendment to the Annual Action Plan will be put on public display for a 7-day comment period. Following that, all comments received will be provided to the Council for review prior to seeking final approval of the Amendment to the Annual Action Plan by the City Council. The Amendment will then be forwarded to HUD for attachment to the Rapid City plan.

Note: Amendment #1 was the reduction in allocation amount for the FY 08 Entitlement for CDBG.

**Staff Recommendation is for Council to provide preliminary approval of the Subsidy Committee's recommendations for Amendment #2 to the Community Development Block Grant Annual Action Plan for FY 2008 utilizing Community Development Block Grant Recovery (CDBG-R) funds in the amount of \$132,734.**