



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

## COMMUNITY DEVELOPMENT DIVISION

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## MEMORANDUM

TO: Legal and Finance Committee

FROM: Barbara Garcia, Community Development

DATE: January 12, 2011

RE: **City Council Final Approval for an Amendment to FY 2010 Annual Action Plan for the Reallocation of Unused Community Development Block Grant Funds in the Amount of \$248,409.92**

Staff is seeking final approval for the Subsidy Committee's recommendation to amend the FY 2010 Annual Action Plan to reallocate the following unused CDBG funds for projects to be accomplished in FY 2010 and FY 2011;

\$ 35,000.00 allocated to Consumer Credit Counseling Service (FY 2008)  
\$100,000.00 allocated to Community Health Center of the Black Hills (2010); and  
\$ 36,212.00 allocated as a Contingency fund (FY 2010)  
\$ 77,197.92 unused Entitlement from previous years (extra program income earned in program year and spent, leaving entitlement unused)  
\$248,409.92 Total available for reallocation

Staff seeks Council approval to reallocate these funds to "ready to go" FY 2010 projects and FY 2011 projects.

The City is required by HUD to meet a spend-down ratio of 1.5% of allocated funds within 90 days of the end of the program year. In order to meet that ratio, the City cannot afford to carry over large sums of money, so funds should be reallocated to "ready to go" projects.

Council provided preliminary approval on December 6, 2010 and a thirty day public comment period has been accomplished. No comments have been received.

**Staff Recommendation: City Council provide final approval for reallocation of unused Community Development Block Grant funds in the amount of \$248,409.92 to be used for projects in FY 2010 and FY 2011.**