



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 Specialist

DATE: January 2, 2013

RE: Preliminary Approval of Proposed FY 2013 CDBG Funding Allocations

Staff is seeking City Council preliminary approval of the Subsidy Committee Fiscal Year 2013 Community Development Block Grant recommended allocations.

Attached for your review is a spreadsheet showing the requests for FY 2013 Community Development Block Grant (CDBG) funding and the Subsidy Committee's recommendations for funding allocations. Staff estimates an entitlement award of \$430,000 from HUD for FY 2013 and \$4,000 in program income. Allocation awards are based upon a formula using Census data that is based on number of homeless people, number of people living below the poverty level, percentage of minority population and aging housing stock. Funding requests for FY 2013 total \$ 860,586. Federal regulations allow the City to use up to 15% of their entitlement for public service activities (\$71,703). The City can approve less than this amount or may choose not to fund public service activities. Administration costs for the CDBG program may not exceed 20% of the entitlement grant (\$86,800). The remaining balance of \$275,497 may be used for Public Facilities and Improvements, Housing or Economic Development projects.

Funding recommendations were made by the CDBG Subsidy Committee based upon Department of Housing and Urban Development eligibility requirements, the benefit to low and moderate income persons in the community, agency timeliness and completeness in filing reports and drawing funds, 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 project readiness and the ease to which the project may be completed in the program year.

After Council preliminary approval of these activities a draft of the Annual Action Plan allocations will be put on public display and a 30 day public comment period will be held to receive comments. A public meeting will be held to accept comments prior to submission to Council for final approval. Activities approved for funding will be included in the Annual Action Plan that must be submitted to HUD by February 15, 2013. HUD will have 45 days to review the plan for eligibility.

Staff Recommendation is for Council preliminary approval of the Subsidy Committee's recommendations for allocation of CDBG funding for FY 2013.



EQUAL OPPORTUNITY EMPLOYER