



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

PLANNING DEPARTMENT

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MEMORANDUM

TO: Legal & Finance Committee

FROM: Barbara Garcia, Community Development Specialist

DATE: February 17, 2004

RE: FY 2004 actual CDBG funding allocation

The Growth Management Department has just received the accompanying letter from HUD stating that our FY2004 Community Development Block Grant allocation will be \$596,000. This is an \$18,000 reduction from our FY2003 allocation. The Subsidy Committee's recommended allocations were made using the FY2003 allocation amount of \$614,000.

The Subsidy Committee's recommended program allocation award total of \$614,000 did not include any of the Community Development Block Grant program income that the City receives from previously funded Community Development Block Grant and Urban Renewal projects. The City receives approximately \$28,000 in program income annually from the Neighborhood Restoration Program loan repayments (\$23,000) and rental income (\$5,000) from buildings owned by the City, 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.

These funds may be used to cover the \$18,000 deficit from the allocation reduction.

Attached please find a breakdown of the HUD maximum allowed allocations as recommended by the Subsidy Committee, using the estimated FY2004 allocation of \$614,000, and the actual FY2004 allocation of \$596,000 plus program income.

Evaluation of Fund Allocations



EQUAL OPPORTUNITY EMPLOYER

Subsidy Committee Recommendation (FY2003)		FY 2004 Actual Allocation + Program Income (Maximum Allowable)		Staff Recommendation
Estimated allocation	\$614,000	Actual allocation	\$596,000	
		Est. Program Income	<u>\$ 28,000</u>	
Total Allocation	\$614,000	Total Allocation	\$624,000	\$624,000
Less max 20% Administration fee	\$122,800	Less 20% Max Administration fee	\$124,800	\$124,800
Less max 15% Public Services	<u>\$ 92,100</u>	Less 15% Max Public Services	<u>\$ 93,600</u>	<u>92,100</u>
Balance for Housing & PF/I	\$399,100	Balance for Housing & PF/I	\$405,600	\$407,100
Less Housing	\$229,579	Less Housing	\$229,579	\$229,579
Less Pub Facilities & Improvements	<u>\$169,521</u>	Less Pub Facilities & Improvements	<u>\$169,521</u>	<u>\$169,521</u>
Balance =	\$ 0	Balance to carry forward =	\$ 6,500	\$ 8,000

Staff Recommendation:

- 1) That allocation amounts to Public Services, Housing and Public Facilities & Improvements remain at the amounts recommended by the Subsidy Committee.
- 2) Program income from the Neighborhood Restoration Program is used to make up the \$18,000 deficit from the FY2004 CDBG allocation reduction.
- 3) The estimated program income balance of \$8,000 be carried forward and included in any reallocation of unused funds from the FY2002/2003 program years.