



CITY OF RAPID CITY

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MEMORANDUM

TO: Legal and Finance Committee
FROM: Barbara Garcia, Community Development Specialist
DATE: July 11, 2007
RE: Amendment to the FY 2006 Consolidated Annual Performance and Evaluation Report (CAPER): Activity Summary Report (PR 03) and CDBG Financial Summary (PR 26)

Attached are corrected copies of the FY 2006 Activity Summary Report and the CDBG Financial Summary included in the FY 2006 CAPER.

It was discovered after Legal & Finance Committee review and approval of the FY 2006 CAPER that the HUD IDIS Reporting system had incorrectly carried forward Unliquidated Obligations from FY 2005 and not included all of the unliquidated obligations for FY 2006. Unfortunately it was discovered that the system does not recalculate the numbers until after the report was approved by the Legal & Finance Committee.

The changes do not affect any of the "bottom line" expenditure totals or actual balances reported in the CAPER. The only calculations affected are those used to determine compliance with the Public Service and Program Administration caps on spending. The percentages changed slightly and are still within the guidelines. Maximum allowable expenditures are 15% for Public Services and 20% for Program Administration.

Staff consulted Marlene Collazo, the HUD Community Planning and Development Representative and Auditor for Rapid City on June 15, 2007 regarding how the amendment should be handled. Ms. Collazo stated that we should proceed with the submission of the CAPER, noting that an amendment will be forwarded upon completion of a 15 day public notice and comment period and final Council review.

Attached is an itemization of the actual corrections made and new copies of the two reports. The corrected reports will be posted for public review and comment for 15 days and then re-submitted to Legal and Finance and City Council, with the public comments, if any, for review and approval prior to formal submission to HUD as an amendment to the CAPER. As of July 2, 2007, no public



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comments have been received. A copy of this memorandum and the new reports was submitted with the CAPER as notification to HUD of the error and the coming amendment, per Ms. Collazo's instructions.

STAFF RECOMMENDATION: City Council Approval of the Amendment to the FY 2006 Consolidated Annual Performance and Evaluation Report (CAPER)