



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

COMMUNITY DEVELOPMENT DIVISION

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MEMORANDUM

TO: Legal & Finance Committee
FROM: Barbara Garcia, Community Development Specialist
DATE: July 2, 2008
RE: Approval for Mayor and Chief Financial Officer to Sign CDBG Contract with Consumer Credit Counseling Services of the Black Hills

The City Council approved the reallocation of \$35,000 of FY 2007 CDBG funding to Consumer Credit Counseling Services of the Black Hills in November, 2007. The funding will be used as matching funds for Individual Deposit Accounts for low-income people saving money for a specific goal of either: buying a home, starting or expanding a micro-enterprise business, or for obtaining a higher education. Individuals accepted into the program will sign a contract agreeing to save a set amount of money per month, for a set amount of time, for a qualifying goal. Applicants will deposit their savings in a participating bank and upon successful completion of the program will receive matching dollars from the fund, which will serve as an incentive to stick to the program. Participants are required to attend budgeting, financial literacy, and home buyers education classes as part of the program.

Asset building has been identified as a high priority need of the community in order to help low-income people improve their financial situations.

Staff recommendation is for Council approval for the Mayor and Chief Financial Officer to sign two copies of the Community Development Block Grant funding contracts in the amount of \$35,000 with Consumer Credit Counseling Services of the Black Hills to be used as matching funds for Individual Saving Accounts for low income people with a goal of starting a micro-enterprise business, purchasing a home or obtaining higher education.



EQUAL OPPORTUNITY EMPLOYER