



CITY OF RAPID CITY

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MEMORANDUM

TO: Legal & Finance Committee

FROM: Barbara Garcia, Community Development Specialist

DATE: July 29, 2009

RE: Subsidy Committee Recommendations for FY 2009 Annual Action Plan Adjustments to Allocations to Comply with Reduced Funding for CDBG Entitlement and Council Approval for the Amendment

Staff is seeking Council approval of an Amendment to the FY 2009 Community Development Block Grant Annual Action Plan. Attached please find a copy of the recommended funding allocations showing the dollars previously approved by Council on February 17, 2009, based on an estimated FY 09 CDBG allocation and the Subsidy committee's recommended changes.

The City received notice of our FY 2009 Entitlement allocation in the amount of \$496,179. An estimate of \$500,000 was used at the time of submission, so a total adjustment of (\$3,821) must be made. HUD imposed caps on Administration and Public Service allocations dictates that \$765 must be deducted from Administration and \$573 from the Public Service allocations. Subsidy committee recommends the reduction for Public Services be taken from Behavior Management Systems, resulting in a change from \$30,000 to \$29,427. The balance of \$2,483 can be taken from any category. Subsidy committee recommendation is that the \$2,483 reduction be applied to the Affordable Housing funds held by the City, resulting in a change from \$100,000 to \$97,517. The recommendations minimize the impact to any of the service agencies and primarily affect city allocations. The Amendment will not require public comment as the adjustments are less than 25% of the amounts allocated and the total allocation amount. Thank you for your quick responses.

Staff recommendation is to accept and approve the Subsidy Committee recommendations for an Amendment to the FY2009 CDBG Annual Action Plan as approved by Council on February 17, 2009.



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