



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 Manager

DATE: September 1, 2010

RE: **Council Approval and Authorization for Mayor and Finance Officer to Sign Contracts for Fiscal Year 2010 Community Development Block Grant Sub-recipient Rapid City First United Methodist Church, including the Indenture of Restrictive Covenants.**

Staff is seeking City Council approval of, and authorization for the Mayor and Finance Officer to sign the attached FY 2010 Community Development Block Grant (CDBG) contracts for Rapid City First United Methodist Church, including the Indenture of Restrive Covenants. Allocations for this agency's activities were previously approved by the City Council in the FY 2010 Annual Action Plan.

The FY 2010 CDBG funds will be utilized by this non-profit organization to provide client services and affordable housing for low-income persons and families within the corporate limits of Rapid City.

In order to establish accounts for the Sub-recipients, the City needs to execute two copies of the Sub-recipient CDBG contracts. Contracts for public facility projects include a requirement for filing an Indenture of Covenants for the full recovery of CDBG assistance funds should the use of the facility change and no longer meet HUD qualifying activities and benefit primarily low income people.

Staff Recommendation is for City Council approval of and authorization for the Mayor and Finance Officer to sign two copies of the Community Development Block Grant Subrecipient Contract for FY 2010 for Rapid City First United Methodist Church, including the Indenture of Restrictive Covenants.