



Legislation Text

File #: 17-304, Version: 2

TO: Mayor and Members of City Council

THRU: Douglas J. Hewett, ICMA-CM, City Manager

FROM: Victor Sharpe, Community Development Director
Cheryl J. Spivey, Chief Financial Officer
Brenda Powell, Senior Financial Analyst

DATE: June 26, 2017

RE:
Consideration of Approval of Special Revenue Fund Project Ordinances 2018-1 and 2018-2 for the Funding of the CDBG and HOME FY2017-2018 Programs per the Community Development Department's Annual Action Plan

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:

Goal II - Diverse and Viable Economy

Goal IV - Desirable Place to Live, Work and Recreate

Executive Summary:

The City of Fayetteville is expected to be awarded two grants from the U.S. Department of Housing and Urban Development (HUD) for fiscal year 2017-2018. The Community Development Block Grant (CDBG) and HOME Investment Partnership Grant (HOME) will support activities identified in the Community Development Department's proposed 2017-2018 Annual Action Plan as adopted by City Council on April 24, 2017. Special Revenue Fund Project Ordinances 2018-1 and 2018-2 will appropriate the operating budgets for the CDBG and HOME programs, including the anticipated Federal grant funds and program income.

Background:

The proposed 2017-2018 Annual Action Plan, which outlined all activities and funding sources for both CDBG and HOME, was approved by Council on April 24, 2017. Since that time the City has received notification that the allocation for CDBG and HOME funds decreased by \$9,371 and \$6,212, respectively, for a total of \$15,583. This reduction will be offset by an increase in the projected amounts of carryforward funds remaining unspent and available from prior years to fund the programs identified in the Action Plan approved by Council, resulting in no change to the proposed

program funding amounts.

The CDBG program will be funded by an anticipated grant from HUD in the amount of \$1,294,448 and anticipated program income of \$167,654.

The HOME program will be funded by an anticipated grant from HUD in the amount of \$577,449 and anticipated program income of \$291,621. The grant match requirement has been waived due to the City being declared a Presidential Disaster Area due to Hurricane Matthew.

Issues/Analysis:

In recent years, the notice of funding approval and grant award the City receives from HUD has not been received until mid-July. The notice of funding approval specifies the date of obligation and period of performance for the grants. The date of obligation may not coincide with the beginning of the program year, therefore the budget for this 2017-2018 program year will not be available until the funding approval is received and the period of performance is known. The Community Development department has sufficient prior year funding available to continue operations until the funding approval is received.

Budget Impact:

As stated above.

Options:

- 1.) Adopt Special Revenue Fund Project Ordinances 2018-1 and 2018-2.
- 2.) Do not adopt the ordinances and provide guidance to staff.

Recommended Action:

Staff recommends Council move to adopt Special Revenue Fund Project Ordinances 2018-1 and 2018-2.

Attachments:

Special Revenue Fund Project Ordinance 2018-1 (CDBG)
Special Revenue Fund Project Ordinance 2018-2 (HOME)