



Legislation Text

File #: 18-243, Version: 1

TO: Mayor and Members of City Council

THRU: Jay Reinstein, Assistant City Manager

FROM: Cynthia Blot, Economic & Community Development Director
Jay Toland, Acting Chief Financial Officer
Brenda Powell, Senior Financial Analyst

DATE: June 25, 2018

RE:
Consideration of Approval of Special Revenue Fund Project Ordinances 2019-1 and 2019-2 for the Partial Funding of the CDBG and HOME FY2018-2019 Programs per the Economic and 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 2018-2019. The Community Development Block Grant (CDBG) and HOME Investment Partnership Grant (HOME) will support activities identified in the Economic and Community Development Department's proposed 2018-2019 Annual Action Plan as adopted by City Council on April 23, 2018. Special Revenue Fund Project Ordinances 2019-1 and 2019-2 will appropriate program income expected to be received which will allow for the funding of payroll and payroll related items until funding approval by HUD has been received.

Background:

The proposed 2018-2019 Annual Action Plan, which outlined all activities and funding sources for both CDBG and HOME, was approved by Council on April 23, 2018. Since that time the City has received notification that the allocation for CDBG and HOME funds increased by \$127,066 and \$257,955, respectively, for a total increase of \$385,021.

The CDBG program will be funded by an anticipated grant from HUD in the amount of \$1,421,514 and anticipated program income of \$170,416.

The HOME program will be funded by an anticipated grant from HUD in the amount of \$835,404 and anticipated program income of \$683,514. 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 2018-2019 program year will not be available until the funding approval is received and the period of performance is known. As soon as the grant is awarded and funding approval received, a budget amendment will be prepared to bring the funding levels up to the amounts specified in the approved Action Plan..

Budget Impact:

As stated above

Options:

1. Adopt Special Revenue Fund Project Ordinances 2019-1 and 2019-2.
2. Do not adopt the Special Revenue Fund Ordinances 2019-1 and 2019-2 and provide direction to staff.

Recommended Action:

Staff recommends Council move to adopt Special Revenue Fund Project Ordinances 2019-1 and 2019-2.

Attachments:

- Special Revenue Fund Project Ordinance 2019-1 (CDBG)
- Special Revenue Fund Project Ordinance 2019-2 (HOME)
- HUD Notice of Allocations
- Economic and Community Development Allocation of funds for 2018-2019