

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

11-0679R

RESOLUTION AUTHORIZING A TRANSFER OF \$343,659 IN THE 2012 HUD COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FROM THE 2007, 2008, 2010 PROGRAMS AND FUND 263 TO MAKE UP FOR PROJECTED DEFECITS IN THE 2012 PROGRAM DUE TO FEDERAL BUDGET REDUCTIONS.

CITY PROPOSAL:

RESOLVED, That the proper city officials are authorized to make the following fund transfers within the 2007, 2008 and 2010 CDBG programs thereby increasing the Federal Program Fund 262, Agency 020, Object 5434, 2012 HUD-funded community development account by \$343,659 from accounts as set forth below:

2007 CDBG Program - Fund 262 - Project CD07CD

Sub-project Activity	Project	Amount	New Grant	Difference	
PFAC	PF-01	Central Hillside	\$113,083	\$98,684	(\$14,399)
		Accessibility			

2008 CDBG Program - Fund 262 - Project CD08CD

Sub-project Activity	Project	Amount	New Grant	Difference	
ECDV	2412	SOAR Duluth@Work	\$150,000	\$144,000	(\$6,000)
ECDV	1244	CHUM Employ. Svcs	\$112,500	\$103,000	(\$9,500)

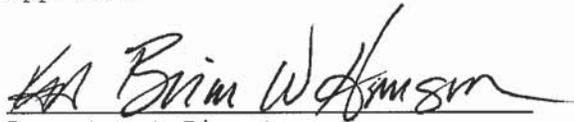
2010 CDBG Program - Fund 262 - Project CD10CD

Sub-project Activity	Project	Amount	New Grant	Difference	
ADMC		Contingency Account	\$10,698	\$0	(\$10,698)
Balance Sheet #2220		Program Income	\$213,062	\$0	(\$213,062)

Fund 263 - Economic Development RLF

Sub-project Activity	Project	Amount	New Grant	Difference
	Program Income	\$90,000	\$0	(\$90,000)

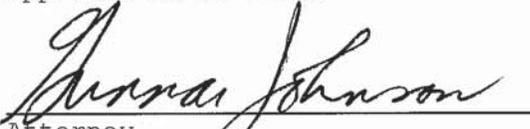
Approved:

  
 Department Director

Approved for presentation to council:

  
 Chief Administrative Officer

Approved as to form:

  
 Attorney

Approved:

  
 Auditor

CD KH:bel 12/09/2011

STATEMENT OF PURPOSE: The purpose of this resolution is to make the transfers for use in the FY 2012 Action Plan prior to the City completing their fiscal year, which is December 31st. The HUD program fiscal year is April 1<sup>st</sup> to March 31<sup>st</sup>, and the FY 2012 Action Plan must be submitted to HUD by February 15, 2012. The Federal budget reductions that were passed by Congress on November 15, 2011 reduced the CDBG program by 12% for a reduction of \$308,100 and the HOME Investment Partnerships program by 38% for a reduction of \$273,562 were late in the City's public participation process and has lead the Community Development Committee to delay their recommendations until after January 31<sup>st</sup>. This delay was approved at their December 6<sup>th</sup> public hearing in order to work on alternatives that did not severely cripple community programs that meet the basic needs of low and moderate income persons. That decision has caused the need for this resolution to make funds available in the City's next fiscal year and the 2012 Community Development program fiscal year. These funds will be a part of the Community Development Committee's recommendations that will come to the Council on February 13, 2012. These funds are available due to contracts being completed. The source of the program income is from the sale of the Lincoln Hotel lot \$192,500, lien repayments \$300, and Community Action Individual Development Account program repayment of \$20,262. The Fund 263 is program income from the recovery of loans made by Northstar Community Development Corporation, this program income was previously recognized but not reprogrammed.