

ORDINANCE NO. 15060

FILE OF CITY COUNCIL

BILL NO. 10 – 2013

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FEBRUARY 6, 2013

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AN ORDINANCE

Amending the 2013 General Fund Budget to appropriate One Thousand Three Hundred Twenty Dollars (\$1,320) from the proceeds of the Revolving Loan Fund to an Expenditure Account to pay back the Pennsylvania Department of Community and Economic Development for unused funds plus interest.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That City Council authorizes the appropriation of funds from the KNBT account used for the drawdowns by 809 Hamilton Street Investors to the revolving loan fund expenditure account in the amount of One Thousand Three Hundred Twenty Dollars (\$1,320) to reimburse the Pennsylvania Department of Community and Economic Development for the unused grant funds of \$1,150 plus interest of \$170.

SECTION TWO: That City Council authorizes an expenditure from the KNBT account to the Department of Community & Economic Development, Office of Economic Development as follows:

008-09-8918-0001-48	Grant Expenditure	\$1,320
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SECTION THREE: That this Ordinance will take effect ten (10) days after final passage.

SECTION FOUR: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

	Yea	Nay
Joe Davis	X	
Jeanette Eichenwald	X	
Jeff Glazier	X	
Cynthia Y. Mota	X	
Ray O'Connell, VP	X	
Peter G. Schweyer	X	
Julio A. Guridy, Pres.	X	
TOTAL	7	0

**I hereby certify that the foregoing Ordinance was passed by City Council on February 20, 2013 and signed by the Mayor on March 1, 2013.**

*Michelle P. Hale*

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CITY CLERK

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

The Department of Community and Economic Development originates this bill. It is initiated by the need to return unused Housing Redevelopment Assistance (HRA) funds in the 809 Hamilton Project back to the state.

- **Summary and Facts of the Bill**

The bill transfers the remaining balance of \$1,320 to be expensed and payment made to the state.

HRA Grant C000048918 - 809 Hamilton Street. Audit fees came in less than anticipated, (the state required a hold of \$5000) causing monies not to be utilized by the loan applicant. Audit fee was \$3850.00 leaving an unexpended amount of \$1150.00. The accumulated interest is \$170.00 creating a balance of \$1320.00 due to Pennsylvania Department of Community and Economic Development.

- **Purpose – Please include the following in your explanation:**
  - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
  - **What are the Benefits of doing this/Down-side of doing this**
  - **How does this Bill related to the City's Vision/Mission/Priorities**

The bill ensures the City's compliance to our contract with the state to use \$400,000 in HRA funds to create four market rate residential rental units. The contract required a reserve of \$5,000 to cover the cost on an audit. The audit expense totaled \$3,850. The remaining \$1,150 were not able to be programmed into the project.

- **Financial Impact – Please include the following in your explanation:**
  - **Cost (Initial and ongoing)**
  - **Benefits (initial and ongoing)**

There are no direct costs to the City.

There are no direct benefits to the City

- **Funding Sources – Please include the following in your explanation:**
  - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

The \$1,320 is a combination of \$1,150 in unused/unprogrammed funds in the project and the accrual of \$170 in interest.

- **Priority status/Deadlines, if any**

The funds must be returned from the City to the state no later than February 28, 2013.

- **Why should Council unanimously support this bill?**

Council should unanimously support this bill because it is a requirement of the contract between the City and state.