

ORDINANCE NO. 14983

FILE OF CITY COUNCIL

BILL NO. 17 - 2012

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APRIL 4, 2012

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AN ORDINANCE

An Ordinance providing for the expenditure of certain monies received by the City of Allentown from the repayment of loans made through the Rental Rehabilitation Program.

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

SECTION ONE: That the Mayor is authorized to expend One Hundred Five Thousand (\$105,000) Dollars received from the repayment of loans made through the Rental Rehabilitation Program in accordance with regulations issued by the United States Department of Housing and Urban Development (HUD).

SECTION TWO: That the Mayor is directed to establish and maintain any and all such accounts and records as are necessary and to make such transfers as may be required to expend and account for said funds in accordance with HUD regulations.

SECTION THREE: That the funds be used for eligible HOME Investment Partnerships Program activities.

SECTION FOUR: That this act of the Council of the City of Allentown is undertaken pursuant to Act 292 of 1974 in accordance with the opinion of the Pennsylvania Attorney General (Opinion 75-23) which holds that Rental Rehabilitation Program Funds and its program income are General Municipal Funds for the purpose of Act 292 of 1974.

SECTION FIVE: That the Council of the City of Allentown authorizes the appropriation of One Hundred Five Thousand (\$105,000) Dollars in the following manner:

HUD Supplemental Grants Chart of Accounts		
700-01-7809-0101-50	Rental Rehabilitation Program	<u>\$105,000</u>
	Total	\$105,000

SECTION SIX: That this Ordinance will take effect ten (10) days after final passage.

SECTION SEVEN: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

	Yea	Nay
Julio A. Guridy, Pres.	X	
Jeanette Eichenwald	X	
Ray O'Connell, VP	X	
Cynthia Y. Mota	X	
Mike Schlossberg	X	
Peter G. Schweyer	X	
TOTAL	6	0

**I hereby certify that the foregoing Ordinance was passed by City Council on April 18, 2012 and signed by the Mayor on April 25, 2012.**

  
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CITY CLERK

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

The Consolidated Grants Program (CGP) legislation consists of three ordinances and one resolution and originates in the Department of Community and Economic Development.

The attached legislation, from the Department of Community and Economic Development serves as the template for the City of Allentown's application for federal Community Development Block Grant Program (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Solutions Grants Program (ESG) funds. Each piece of legislation serves a specific purpose, which when combined, contain all the recommended regulatory steps need to apply for these federal funds. These are the same types of legislation presented to City Council every year. However, the actual dollar amounts, list of activities and funds available are different every year.

- **Summary and Facts of the Bill**

Ordinance CGP #1

Summary: This legislation is required to close unspent CDBG accounts and "roll the funds" over to be used for the upcoming program year (July 1, 2012 to June 30, 2013). These accounts represent activities which have been completed with funds remaining, or activities which were later deemed to be not feasible.

Ordinance CGP #2

Summary: This legislation is required to establish expenditure accounts for the City budgeting system, in addition to listing all the activities/programs which will be funded for the 2012-2013 Consolidated Grants Program year. It provides the basis for the creation of the Action Plan which is submitted to HUD as the application for the CDBG, HOME and ESG program funds which the City receives every year.

Ordinance CGP #3

Summary: This ordinance allows for the budgeting of payments received from the Rental Rehabilitation Program (a HUD program no longer in existence). The funds are budgeted each year to be used for other rental rehabilitation activities which comply with HOME program regulations.

Resolution CGP #1

Summary: With this resolution, City Council is authorizing the City of Allentown to submit its One Year Action Plan for the period July 1, 2012 to June 30, 2013 for the use of federal CDBG, HOME and ESG dollars.

- **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**

These three bills and one resolution allow the City to apply for and then access \$3,349,675 in grant funds for the July 1, 2012 to June 30, 2013 program year. All activities funded comply with the CDBG, HOME and ESG regulations as promulgated by HUD and allow the City to further its Community and Economic Development Initiatives. These bills provide the basis to complete the strategies of the third year of the City of Allentown's Consolidated Plan for the period July 1, 2010 to June 30, 2015.

- **Financial Impact – Please include the following in your explanation:**

- **Cost (Initial and ongoing)**
- **Benefits (initial and ongoing)**

Ordinance CGP#1

This ordinance allows for \$ 307,110 to be re-programmed as part of the funds available for the 2012-2013 program year. Funds are rolled over for a variety of reasons, but mainly because the program/activity is complete and costs were not as great as originally anticipated, or an alternative funding source may have been identified. At times, agencies decide to refuse their allocation if they have difficulty raising the additional funds necessary to run their program/activity. This legislation has no adverse financial impact on the City and the General Fund.

Ordinance CGP #2

This ordinance provides the City the ability to expend \$ 3,349,675 in federal funds to complete a variety of activities including housing rehabilitation, homeownership, public services, administration of the programs, etc. This legislation has no adverse financial impact on the City and the General Fund.

**Ordinance CGP #3**

This legislation will allow the City to expend \$79,000 in funds on the rehabilitation of rental units in the City. This legislation has no adverse financial impact on the City and the General Fund.

- **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.

Ordinance #1 Federal Community Development Block Grant Program funds.

Ordinance #2: Federal CDBG, HOME and ESG dollars, rollover funds and anticipated program income

**Ordinance #3: Repayment of Rental Rehabilitation funds**

Resolution : authorizes the submission of the One Year Consolidated Plan Action Plan along with the grant application for CDBG, HOME and ESG funds

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

These three bills and one resolution have a high priority status. Failure to submit the application to HUD by May 15, 2012 could result in the loss of this money.

Ordinance #1 Priority Status: High Priority. Needed to submit application for federal funds to HUD.

Ordinance # 2 Priority Status: High, application needs to be submitted to HUD by May 15th and the Action Plan cannot be completed until City Council approves this ordinance, which approves the programs and activities to be funded during the upcoming program year. City staff then use this information to develop the actual Action Plan following HUD's very specific protocols.

**Ordinance #3 Priority Status- High. this resolution allows for the budgeting of funds to be used for the rehabilitation of rental units within the City.**

Resolution- Priority Status- High-With this resolution, City Council is authorizing the City of Allentown to submit its Consolidated Plan and One Year Action Plan for the use of federal CDBG, HOME and ESG dollars.

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

Ordinance #1: Why Should Council unanimously support this bill? This legislation allows additional funds to be available to complete the myriad of activities described in Ordinance #2. Furthermore, this allows old accounts, which are no longer active, to be closed.

Ordinance #2 Why Should Council unanimously support this bill?

The City has again followed the scoring process approved by Council and used in the past to develop this budget. In addition, funding decisions were made by complying with HUD's regulations, which require the City to address concerns/needs noted in its five year Consolidated Plan

**Ordinance #3: Why should Council Unanimously support: Allows for additional funds to be budgeted/spent to provide low interest loans to rehabilitate rental properties in the City.**

Resolution: Why should Council unanimously support ? This resolution allows us to submit our One Year Action Plan application to bring additional grant dollars into the City.