

TEMPORARY RESOLUTION NO. 55-17*

PERMANENT RESOLUTION NO. _____

A RESOLUTION APPROVING AND AUTHORIZING THE MAYOR TO SUBMIT TO THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT LANCASTER'S FISCAL YEAR (FY) 2017 COMMUNITY DEVELOPMENT BLOCK GRANT ANNUAL ACTION PLAN AND STATEMENT OF OBJECTIVES AND AMENDMENTS

WHEREAS, the City of Lancaster anticipates receiving an entitlement allocation of \$440,000 in FY 2017 Community Development Block Grant (CDBG) funding; and;

WHEREAS, the city has prepared its FY 2017 Annual Action Plan and Amendments to be consistent with the city's Consolidated Housing and Community Development Plan FY 2013 - FY 2017 which identifies housing and non-housing community development needs; and

WHEREAS, the FY 2017 Annual Action Plan and Amendments have been developed in accordance with Lancaster's Citizen Participation Plan, including two public hearings conducted on March 29, 2017, and May 10, 2017, along with a publication of an executive summary and a summary of the proposed Annual Action Plan and Amendments for public comment;

BE IT RESOLVED BY COUNCIL OF THE CITY OF LANCASTER, OHIO

SECTION 1. The FY 2017 CDBG Annual Action Plan, Amendments, and Statement of Objectives/Use of Funds are hereby approved **subject to contingency provision**, as attached hereto and incorporated herein by reference.

SECTION 2. That the Mayor of the City of Lancaster is hereby designated as the official representative of the grantee and authorized to submit the Annual Action Plan, Amendments, and all certifications, assurances, and related documents regarding federal and state funding applications and to act in connection with the submission as may be necessary.

SECTION 3. That the Mayor of the City of Lancaster is hereby authorized to execute federal and state grant agreements with the U. S. Department of Housing and Urban Development and/or the State of Ohio and to administer the Community Development Block Grant Program and Community Housing Impact and Preservation Program on behalf of the city.

SECTION 4. City of Lancaster Community Development Block Grant Program (CDBG) Program Amendments

During 2016, the CDBG staff was required to address HUD monitoring concerns regarding the expenditure rate of two CDBG activities. To address these concerns, the staff of the Lancaster Community Development Department is proposing the following CDBG funding allocation amendments and transfer of funds under the CDBG program.

- ***Transfer Twenty-Five Thousand Dollars (\$25,000.00) from FY 2016 Lancaster Fairfield Community Action Commission Miller Housing Activity (273.801.5690.716.016) to FY 2016 Cherokee Infrastructure Activity (273.801.5690.716.002).***

- ***Transfer One Thousand Six Hundred Ninety-Eights Dollars (\$1,698.00) from Re-entry 273.801.5690.715.026) to FY 2016 Cherokee Infrastructure Activity (273.801.5690.716.002).***

The City is proposing to transfer CDBG amendments allocation totaling an amount of Twenty-Six Thousand Six Hundred Ninety-Eight Dollars (\$26,698.00) to the FY 2016 Cherokee Infrastructure Activity.

SECTION 5. That this Resolution shall take effect and be in full force from and after the earliest period allowed by law.

Passed: _____ after _____ reading. Vote: Yeas _____ Nays _____

Date Approved: _____

Clerk: _____

President of Council

Mayor

Offered by: _____

Second by: _____

Requested by Economic Development Committee

**LANCASTER COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FY 2017 ANNUAL ACTION PLAN (USE OF FUNDS)**

■ Economic Development – Bob’s Backyard Barbeque	\$ 10,000.00
■ Economic Development – Diamond Jim’s	\$ 6,000.00
■ Economic Development – Excitation Salon	\$ 5,000.00
■ Economic Development – GLAM Studio	\$ 5,000.00
■ Economic Development – Gypsy Joes	\$ 5,000.00
■ Economic Development – Hairitage Salon	\$ 5,000.00
■ Economic Development – Main Street Bistro	\$ 22,000.00
■ Economic Development – Osteria Alla Romano	\$ 10,000.00
■ Economic Development – Tiki	\$ 22,000.00
■ Economic Development – The WELL	\$ 10,000.00
■ Cherry/Cherokee/Wyandotte Street Infrastructure	\$ 50,000.00
■ Emergency Homeowner Housing Repair	\$ 60,000.00
■ Homeowner Housing Rehabilitation	\$ 65,010.00
■ Fair Housing	\$ 7,000.00
■ Afterschool Program of Lancaster	\$ 3,990.00
■ Big Brothers Big Sisters	\$ 2,000.00
■ Lancaster Fire Prevention	\$ 1,000.00
■ Lancaster Police Department DARE	\$ 4,000.00
■ Lancaster Police Athletic League	\$ 7,000.00
■ Lancaster Transit	\$ 7,000.00
■ Lancaster Vineyard Food Pantry	\$ 3,000.00
■ Fairfield Center for Disabilities	\$ 5,000.00
■ Family Adult Children First Council	\$ 3,000.00
■ Fairfield Industries	\$ 1,000.00
■ Lancaster Fairfield Community Action	\$ 5,000.00
■ Meals on Wheels	\$ 8,000.00
■ New Horizons	\$ 7,500.00
■ Precise Automotive	\$ 3,000.00
■ United Way Tax Program	\$ 3,500.00
■ Victory Center	\$ 3,000.00
■ Victory Hill Connexion West	\$ 3,000.00
■ CDBG Planning & Administration	<u>\$ 88,000.00</u>
TOTAL CDBG PROPOSED PROGRAM FUNDING	\$ 440,000.00



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MARY JO SMITH, *Executive Director*

DIANE SCHORR, *Assistant Executive Director*

ROBERT SULICK, *Housing Program Coordinator*

To: David S. Smith, Mayor
From: Mary Jo Smith, Executive Director
Date: June 5, 2017
Subject: FY 2017 CDBG Contingency Provision

A federal notice was recently published by the U. S. Department of Housing and Urban Development regarding the submittal of a grantee CDBG annual action plan.

I recently received the following guidance regarding the development of a proposed action plan during the interim period until funding appropriation levels are released.

A grantee has several options regarding annual action plan obligations while waiting for HUD to announce FY 2017 allocation amounts:

A grantee may prepare its draft annual action plan (with estimated funding amounts) according to its normal timetable and citizen participation procedures. (Grantees are cautioned, though, that they should not submit their plan until allocation amounts are known.) A grantee doing so should make clear that the funding levels shown are estimated amounts. In addition, the grantee should include "contingency provision" language in its action plan which explains how it will adjust its proposed plan to match its actual allocation amounts, once actual amounts become known. By including such contingency language, a grantee can avoid the need to make significant revisions to its plan (beyond incorporating the final allocation amounts into the plan and the SF-424 form). The grantee may also avoid the potential need to conduct additional citizen participation on a plan that has to be significantly revised in order to reflect actual allocation amounts.

Examples of contingency provisions include:

- A plan could state that all proposed activities' budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.
- A grantee could express its budget in terms of percentages of the allocation to be budgeted to each planned activity, along with the grantee's current estimate of how many dollars that equates to for each activity. [For example, regardless of what the final allocation amounts are, the United Interfaith Street Outreach Program will receive 22% (currently estimated to be approximately \$38,000) of the grantee's total ESG allocation, and the Tenant-Based Rental Assistance activity will receive 10% (currently estimated to be about \$68,750) of the HOME allocation.]
- A plan could state that any increase or decrease in funding to match actual allocation amounts will be applied to one or more specific activities (e.g., any increase or decrease relative to the grantee's estimated allocation amount will be applied to the single family housing rehabilitation grant program).
- A plan could list its proposed activities in priority order and indicate that the East Side Sidewalk Replacement activity listed in the plan is a "backup" activity that will be funded only if sufficient CDBG funding exists; or conversely, if the grantee's actual allocation is less than estimated, the East Side Sidewalk Replacement activity will not be funded in FY 2017.
- A plan could state that, should the actual allocation amount exceed the grantee's estimate, the grantee will increase the Uptown Sewer Separation activity budget and will extend the service area block-by-block along the 600-900 blocks of Cherry Street, based on the amount of additional funding available.

A grantee may include these or other comparable provisions singly or in any combination to meet its needs.

After review of the proposed contingency provisions available, I recommend the city approve the follow plan:

The City of Lancaster's Community Development Block Grant FY 2017 Annual Action Plan will state that all proposed activities' budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

Please review the contents of the letter and if you concur with the recommendation, please sign below


_____ Date 6-06-17

I concur with the CDBG contingency provision as recommended