

City Council – Action Request Form

Date: February 11, 2019

To: The City Manager

From: Marla Y. Newman, Community Development Director
Tasha Logan Ford, Assistant City Manager

Council Action Requested:

Adoption of procedures to recommend funds to be recaptured and reallocated to meet the expenditure time requirements for CDBG and HOME funds.

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Expand Housing Assistance Programs

Strategic Plan Action Item: No

Key Work Item: Yes



Summary of Information:

The Community Development Department seeks City Council approval to implement policies and procedures to ensure that the spending of CDBG and HOME funds by sub-grantees enables the City to meet the timeliness requirements as set forth in the U.S. Department of Housing and Urban Development regulations governing CDBG and HOME. To accomplish this, staff will review the monthly progress and expenditure reports for all projects, programs and activities to which funds have been awarded by the City. At any time during the term of the funding, based on assessed performance at the 90-day and 180-day monitoring review, the pro rata portion of any grant or loan for a project, program or activity that has not been spent will be subject to recapture and reallocation by the City. At any time during the grant term, the City may request that the sub-grantee provide an updated timeline and plan for spending all grant funds within the timeframe as set forth in the grant agreement. Based on this timeline and plan, the portion of the grant that is determined that will not be spent shall be subject to recapture and reallocation by the City.

Committee Action:

Committee	<u>Finance 2/11/19</u>	Action	<u>Approval</u>
	<u>CDHGG 2/12/19</u>		

For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

At a minimum, quarterly reviews of spending will result in the following actions by the City:

- a. If less than the prorated portion of grant funds through the end of a respective quarter has been invoiced to the City within 30 days of the end of the quarter, the funded agency shall submit a written spending plan to the City within 45 days of the end of the quarter, describing plans and activities to expend the full proration of grant funds by the end of the next quarter;
- b. Within ten days of receipt, the City shall notify the funded organization whether or not the City will accept the spending plan;
- c. If the City accepts the spending plan, the organization will continue activities at the current funding level; and
- d. If the City does not accept the spending plan, the City may recapture unspent funds through the end of the prior quarter and will require execution of an amended agreement reducing the total funding amount.

The full text of the policies and procedures are attached.