

ST. PETERSBURG CITY COUNCIL
(Non Consent Agenda Items Only)
Meeting of May 21, 2009

TO: The Honorable Jeff Danner, Chair and Members of City Council

SUBJECT: A resolution approving a Substantial Amendment to the FY 2008-2009 Annual Action Plan (“Amendment”) to add a new Community Development Block Grant-Recovery (“CDBG-R”) program with funding in the amount of \$598,343 to be allocated to the City from the U.S. Department of Housing and Urban Development (“HUD”) to establish the CDBG-R; authorizing the Mayor or his designee to submit the Amendment to HUD and to execute all documents necessary to implement the Amendment; and providing an effective date.

EXPLANATION: The President signed the American Recovery and Reinvestment Act (“ARRA”) into law on February 17, 2009. Congress enacted the ARRA to help persons affected by the current crisis with a clear purpose to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. The U.S. Department of Housing and Urban Development (“HUD”) desires that CDBG-R grantees strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings.

On March 20, 2009, President Obama issued a memorandum to the heads of executive branch agencies, entitled “Ensuring Responsible Spending of Recovery Act Funds”. HUD has requested that grantees ensure that the activities selected for CDBG-R funding adhere to the expectations of this notice, particularly those of Section 2(c).

The City received notification from HUD on February 25, 2009, that the City will receive \$598,343 in CDBG-R funding through the ARRA. In order to receive funding HUD has advised the City that it must approve a Substantial Amendment to its FY 2008-2009 Annual Action Plan. To expedite the process, HUD has allowed a 7-day period for a public notice and the citizen participation process. The deadline for submitting the Substantial Amendment to HUD is June 5, 2009.

The Recovery Act makes clear that grantees are to identify projects that can achieve the Recovery Act purposes and can be quickly implemented. Recipients of funding shall give priority to projects that can award contracts based on bids within 120-days from the date the funds are made available to the grantee. In using funds made available in this Act for infrastructure investment, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120-days after the date of the enactment of the ARRA. In accordance with the Recovery Act, HUD has imposed a grant period and expenditure deadline of September 30, 2012, to ensure that the use of CDBG-R funds is expedited.

HUD requires timely and accurate reporting on each CDBG-R grant in IDIS, not later than 10-days after the end of each calendar quarter, each recipient that received recovery funds shall submit to HUD, a report that contains the following:

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- The total amount of recovery funds received.
- The amount of recovery funds received that were expended.
- A detailed list of all projects or activities for which recovery funds were expended or obligated, including the name of the project or activity; a description of the project or activity; an evaluation of the completion status of the project.
- For infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the City for funding the infrastructure investment with funds made available under the Recovery Act.
- All information must be posted on the City's website.

ELIGIBLE ACTIVITIES FOR FUNDING: All current activities eligible to receive CDBG funding are eligible under CDBG-R. The City proposes to allocate its CDBG-R funding for the following projects:

- Installation of Mast Arms at the intersection of 9th Street South at 18th Ave and 22nd Ave at a cost of \$442,000
- Administration Cost to implement the CDBG-R Program at \$59,834
- Pavement of the Grandview Park Parking Lot at \$70,000
- Construction and replacement of new sidewalks and curbing in low and moderate-income areas at a cost of \$26,509

The Administration intends to establish the strategies listed immediately above to implement the new program.

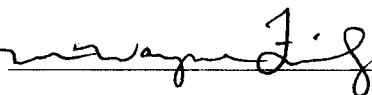
RECOMMENDATION: Administration recommends approval of the attached resolution approving a Substantial Amendment to the FY 2008-2009 Annual Action Plan ("Amendment") to add a new Community Development Block Grant-Recovery ("CDBG-R") program with funding in the amount of \$598,343 to be allocated to the City from the U.S. Department of Housing and Urban Development ("HUD") to establish the CDBG-R; authorizing the Mayor or his designee to submit the Amendment to HUD and to execute all documents necessary to implement the Amendment; and providing an effective date.

COST/FUNDING: N/A

ATTACHMENTS: Resolution
Letter from HUD

Approvals:

Administration: 

Budget: 

Legal: 00107254.doc V. 3

Resolution No. 2009-_____

A RESOLUTION APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY'S FY2008-2009 ANNUAL ACTION PLAN ("AMENDMENT") TO ADD A NEW COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY ("CDBG-R") PROGRAM WITH FUNDING IN THE AMOUNT OF \$598,343 TO BE ALLOCATED TO THE CITY FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") TO ESTABLISH THE CDBG-R; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO SUBMIT THE AMENDMENT TO HUD AND TO EXECUTE ALL DOCUMENTS NECESSARY TO IMPLEMENT THE AMENDMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the President signed the American Recovery and Reinvestment Act ("ARRA") of 2009 into law on February 17, 2009 with a total budgeted amount of \$1,000,000,000; and

WHEREAS, Congress enacted the ARRA to help persons affected by the current economic crisis; and

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") notified the City of St. Petersburg on February 25, 2009, that it was programmed to receive \$598,343 in Community Development Block Grant Recovery ("CDBG-R") funding, provided the City comply with the requirements of the program; and

WHEREAS, CDBG-R was established from the ARRA to provide funding to projects that could be implemented quickly (within 120-days of the grant agreement); and

WHEREAS, HUD has waived or suspended other requirements to facilitate the timely use of funds; and

WHEREAS, HUD requires that ARRA CDBG-R funds be tracked and accounted for separately; and

WHEREAS, Grantees will draw down these funds using the Integrated Disbursement Information System ("IDIS"); and

WHEREAS, all iron, steel and manufactured goods used in construction, alteration, repair, or maintenance of a public building or public work project assisted with CDBG-R funds under the Recovery Act must be produced in the United States; and

WHEREAS, the City proposes to allocate CDBG-R funding for the following projects:

- Installation of Mast Arms at the intersection of 9th Street South at 18th Ave and 22nd Ave at a cost of \$442,000
- Administration Cost to implement the CDBG-R Program at \$59,834

- Pavement of the Grandview Park Parking Lot at \$70,000
- Construction and replacement of new sidewalks and curbing in low and moderate-income areas at a cost of \$26,509

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida that a Substantial Amendment to the FY 2008-2009 Annual Action Plan (“Amendment”) to add a new Community Development Block Grant-Recovery (“CDBG-R”) program with funding in the amount of \$598,343 to be allocated to the City from the U.S. Department of Housing and Urban Development (“HUD”) to establish the CDBG-R is approved; and

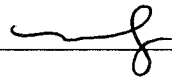
BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to submit the Amendment to HUD and to execute all documents necessary to implement the Amendment

This resolution shall become effective immediately upon its adoption.

Approvals:

Legal: 

Administration: 

Budget: 

Legal: 00107253.doc V. 3



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, DC 20410-0001

May 5, 2009

Dear CDBG Grantee:

In these difficult economic times, the U.S. Department of Housing and Urban Development is pleased to announce additional funding for the Community Development Block Grant (CDBG) program under the American Recovery and Reinvestment Act of 2009 (Recovery Act). The attached CDBG Recovery Act (CDBG-R) Notice provides your community with a significant opportunity to address critical employment and economic development needs. In accepting these funds, it is imperative, however, that you be good stewards of these precious taxpayer dollars by focusing your efforts on the Recovery Act goals of investing in infrastructure that will create or sustain jobs in the near-term and generate maximum economic benefits in the long-term.

HUD is fully committed to implementation of the guidance provided by President Obama in his March 20, 2009, memorandum regarding the need for responsible spending of Recovery Act funds. The CDBG-R funding presents a unique set of challenges because of the wide range of activities allowable under the CDBG program, as compared to the more narrow range of activities allowable under the CDBG-R program. The goals of the Recovery Act are focused on stimulating job creation and long-term economic benefit. In an effort to ensure responsible spending of Recovery Act funds, a number of actions have been taken.

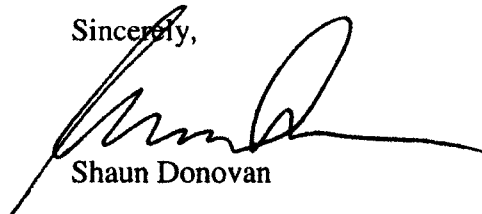
First, Section 1604 of the Recovery Act prohibits the use of funds for certain types of projects including aquariums, casinos, golf courses, swimming pools, and zoos. This prohibition is clear and direct, and HUD's guidance on the use of CDBG-R funds reflects these prohibitions. In addition, HUD is:

1. Conducting extensive outreach to housing and community development officials through such groups as the National League of Cities, the U.S. Conference of Mayors, the National Association of County Officials, and the National Governors Association to underscore the importance of focusing on the key elements of the Recovery Act as they examine projects proposed for CDBG-R funding.
2. Adding a "terms and conditions" to all grant agreements that clearly reflect the obligation of the grantee to comply with the Recovery Act in carrying out its responsibilities.

3. Providing detailed guidance to grantees regarding expectations for projects and activities accomplished under the Recovery Act.
4. Encouraging grantees to engage with their auditors early in the planning process, as HUD has been doing with the Office of the Inspector General, to ensure that major risks to responsible spending are quickly identified, and mitigation strategies established, upfront.
5. Requiring grantees to identify, upfront, the specific activities and projects that they intend to fund with CDBG-R funds. The CDBG citizen participation process will apply, with the additional requirement that grantees post their plans on their own websites in order to receive a greater level of public comment and scrutiny. Through these efforts, HUD expects that imprudent projects will be identified and weeded out and that CDBG-R funds will be used in a manner consistent with the purposes and goals of the Recovery Act.
6. Posting all proposed grantee projects on the HUD Recovery website to provide complete transparency and encourage greater scrutiny.

The economic crisis has resulted in many critical needs in our nation's communities. In order to respond to the core issues of job creation and long-term economic benefit, we must be disciplined in spending Recovery Act funds. Through the actions outlined above, the Department intends to reinforce President Obama's message of responsible spending of critical Recovery Act resources.

Sincerely,

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Shaun Donovan

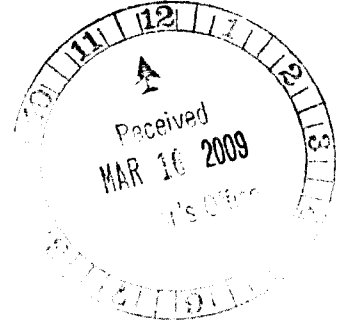
Attachment



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, DC 20410-0001**

March 6, 2009

The Honorable Richard Baker
Mayor of St. Petersburg
175 Fifth Street North
St. Petersburg, FL 33701



Dear Mayor Baker:

I am pleased to inform you that the U.S. Department of Housing and Urban Development has allocated \$10.1 billion, made available through the American Recovery and Reinvestment Act of 2009 (Recovery Act) (Public Law 111-5) signed into law by President Obama on February 17, 2009.

This letter provides the allocations from the Recovery Act for the following programs administered by the Department: Community Development Block Grants; Public Housing Capital Fund; Lead Hazard Reduction; Section 8 Project-Based Rental Assistance; Homelessness Prevention Fund; and Tax Credit Assistance. These programs provide funding for housing, community and economic development, and assistance for low- and moderate-income persons and special populations across the country.

Table 1 reflects the level of funding directly available for those programs in your community. Table 2 identifies funding available through other partners in your community, and finally, Table 3 identifies the allocation provided to your state for which you may apply:

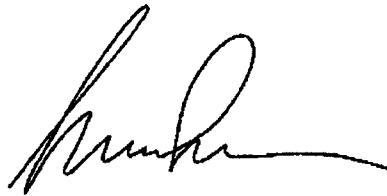
Table 1 – Grants awarded directly to your community

<i>Recovery Act of 2009 Program</i>	<i>Grant Amount</i>
Community Development Block Grant	\$598,343
Homelessness Prevention Fund	\$914,999
Lead Hazard Reduction	\$0

As with all HUD Recovery Act programs, your community has HUD's commitment to be as flexible as possible to help communities such as yours address local needs in the most effective manner.

I look forward to establishing a partnership to help strengthen your community for years to come. HUD is always available to help you implement your programs effectively. If you or your staff have any questions, please contact your local HUD Field Office.

Sincerely,

A handwritten signature in black ink, appearing to read "Shaun Donovan", with a long horizontal flourish extending to the right.

Shaun Donovan