

ORDINANCE 71246

**BOARD BILL NUMBER 143 INTRODUCED BY: ALDERMAN JOSEPH RODDY/
ALDERWOMAN SHAMEEM CLARK-HUBBARD**

1 An ordinance to submit a 2021 Annual Action Plan to the United States Department of
2 Housing and Urban Development ("HUD") as required to apply for funding under the
3 Community Development Block Grant ("CDBG"), HOME Investment Partnership
4 ("HOME"), Emergency Solutions Grant ("ESG") and Housing Opportunities for Persons
5 with AIDS ("HOPWA") Entitlement Programs, authorizing and directing the Mayor and the
6 Comptroller on behalf of the City of St. Louis to enter into and execute agreements with HUD
7 for the receipt of 2021 CDBG, HOME, ESG and HOPWA funds,

8 **WHEREAS**, appropriating the sum of Eighteen Million, Four Hundred Twenty Six
9 Thousand, Nine Hundred and Eighty Two Dollars (\$18,426,982) which the City estimates
10 will be available for the 2021 CDBG Program Year; appropriating the sum of Two Million
11 and Nine Hundred Thousand Dollars (\$2,900,000) which the City estimates will be available
12 for the 2021 HOME Program Year; appropriating the sum of One Million, Five Hundred
13 Seventy Five Thousand, Three Hundred and Twenty Two Dollars (\$1,575,322) which the
14 City estimates will be available for the 2021 ESG Program Year; and appropriating the sum
15 of Two Million, Three Hundred Twenty- One Thousand, Eight Hundred and Five Dollars
16 (\$2,321,805) of which the City estimates will be available for the 2021 HOPWA Program
17 Year.

18 **WHEREAS**, authorizing and directing the Director of the Community Development
19 Administration ("CDA") to contract with municipal agencies, non-profit corporations and
20 other entities, as necessary, for the expenditure of CDBG and HOME funds, to establish and

1 implement a lump sum drawdown procedure for the purpose of financing property
2 rehabilitation activities, to establish and implement a program to guarantee in whole or in part
3 construction loans from private financial institutions, and/or to establish and implement a
4 procedure for providing financial assistance to CDBG-eligible undertakings through float
5 loan financing; and

6 **WHEREAS**, authorizing and directing the Director of the Department of Human
7 Services ("DHS") to contract with municipal agencies, non-profit corporations and other
8 entities, as necessary for the expenditure of ESG funds; and

9 **WHEREAS**, authorizing and directing the Director of Health and Hospitals to contract
10 with municipal agencies, non-profit corporations and other entities, as necessary for the
11 expenditure of HOPWA funds, and directing the Comptroller to issue warrants thereon upon
12 the City Treasury; and containing an emergency clause; and

13 **WHEREAS**, in 2012 the St. Louis HUD Field Office initiated a Technical Assistance
14 request for the City to enhance the City's ability to address capacity gaps identified during an
15 on-site needs assessment spurred by HUD's One CPD Technical Assistance Office; and

16 **WHEREAS**, subsequent HUD Technical Assistance Team reviews and site visits
17 resulted in a requirement from HUD that the City's process for evaluating proposals to be
18 funded with CDBG and HOME funds and awarding those funds to subrecipients and others be
19 redesigned; and

20 **WHEREAS**, in Program Year 2014, the City effectively redesigned its process to
21 enhance transparency and ensure that funds were awarded based on a competitive process; and

22 **WHEREAS**, in Program Year 2020, the City enhanced its Citizen Participation Plan
23 to provide citizens and other interested parties with further opportunities to participate in an

1 advisory role in the planning, implementation and evaluation of the City's CDBG, HOME,
2 ESG and HOPWA programs; and

3 **WHEREAS**, HUD continues to monitor the Consolidated Planning and budgeting
4 processes employed by the City of St. Louis to insure compliance with all applicable federal
5 statutes, regulations and policy guidance; and

6 **WHEREAS**, the City must continue to assure HUD that allocation and management
7 of CDBG and HOME funds are carried out such as to achieve maximum community
8 development and housing programs; and

9 **WHEREAS**, by failing to continue to implement the redesigned process, the City
10 places at risk its receipt of FY2021 HUD CDBG and HOME allocations; and

11 **WHEREAS**, by failing to continue to implement the redesigned process the City
12 further risks demand for the repayment of funds expended in prior program years; and,

13 **WHEREAS**, such payback funds must be obtained by the City from non-federal
14 funding sources; and

15 **WHEREAS**, HUD has stated that failure by the City to continue to implement a fair,
16 consistent, and transparent process for the allocation, use, and accounting of CDBG and HOME
17 funds will ultimately harm the very individuals that the programs were designed to assist; and

18 **WHEREAS**, 2021 CDBG, HOME, ESG and HOPWA funding will become available
19 on January 1, 2021; and

20 **WHEREAS**, in order to receive these funds, the City of St. Louis must continue to
21 implement the redesigned process and submit to HUD a 2021 Annual Plan by November 15,
22 2020; and

1 **WHEREAS**, it is estimated that the 2021 CDBG Entitlement, together with previous
2 year CDBG funds available for re-allocation, CDBG Program Income generated by activities
3 conducted with previous year CDBG funds that have not yet been appropriated for any purpose
4 and CDBG Program Income estimated to be generated by activities conducted in 2021 with
5 CDBG funds, will amount to the sum of Eighteen Million, Six Hundred Twenty-Six Thousand,
6 Nine Hundred and Eighty-Two Dollars (\$18,626,982); and

7 **WHEREAS**, the City has identified certain known appropriation needs as summarized
8 in **Exhibit A**, and the City desires to appropriate the CDBG Entitlement and Program Income
9 Funds for these needs, to establish and implement a lump sum drawdown procedure to finance
10 and facilitate property rehabilitation activities to establish and implement a program to
11 guarantee in whole or in part construction loans from private financial institutions, and to
12 establish and implement a procedure for providing financial assistance to CDBG-eligible
13 undertakings through float loan financing, and

14 **WHEREAS**, it is estimated that the 2021 HOME Entitlement, together with previous
15 year HOME funds available for allocation, HOME Program Income generated by activities
16 conducted with previous year HOME funds that have not yet been appropriated for any purpose
17 and HOME Program Income estimated to be generated by activities conducted in 2021 with
18 HOME funds, will amount to the sum of Three Million Dollars (\$3,000,000) and

19 **WHEREAS**, the City has identified certain known appropriation needs as summarized
20 in **Exhibit A**, and the City desires to appropriate the HOME Entitlement and Program Income
21 Funds for these needs and to establish and implement a program to guarantee in whole or in
22 part construction loans from private financial institutions; and

1 **WHEREAS**, it is estimated that the 2021 ESG Entitlement, together with previous year
2 ESG funds available for allocation, will amount to the sum of One Million, Five Hundred
3 Seventy-Five Thousand, Three Hundred and Twenty-Two Dollars (\$1,575,322); and

4 **WHEREAS**, the City desires to appropriate the ESG Entitlement for needs related to
5 the purpose of the ESG program; and

6 **WHEREAS**, it is estimated that the 2021 HOPWA Entitlement, together with previous
7 year HOPWA funds available for allocation, will amount to the sum of Two Million, Three
8 Hundred Twenty- One Thousand, Eight Hundred and Five Dollars (\$2,321,805); and

9 **WHEREAS**, the City desires to appropriate the HOPWA Entitlement for needs related
10 to the purpose of the HOPWA program.

11 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

12 **SECTION ONE. ANNUAL ACTION PLAN SUBMISSION**

13 The Mayor of the City of St. Louis, on behalf of the City, is hereby authorized and
14 directed to submit an Annual Action Plan to the Department of Housing and Urban
15 Development in order to make application for the 2021 CDBG, HOME, ESG and HOPWA
16 Entitlement Programs.

17 **SECTION TWO. CDBG APPROPRIATION**

18 There is hereby appropriated the sum of Eighteen Million, Four Hundred Twenty-Six
19 Thousand, Nine Hundred and Eighty-Two Dollars (\$18,426,982) of 2021 CDBG funds for the
20 purposes described in **Exhibit A** incorporated herein by reference. The Director of CDA is
21 hereby authorized to make, negotiate and execute any and all contracts or other documents,
22 including disbursing agreements and/or other agreements associated with lump sum
23 drawdowns intended to facilitate property rehabilitation activities, including agreements

1 associated with guarantees in whole or in part of construction loans from private financial
2 institutions, and including agreements associated with the establishment and implementation of
3 a procedure for providing financial assistance to CDBG-eligible undertakings through float
4 loan financing, on behalf of the City, which are necessary to carry out the City's CDBG and
5 HOME programs and to expend said funds for the purposes and in the amounts specified in
6 **Exhibit A** attached hereto, and the Comptroller is authorized and directed to issue warrants
7 upon the City Treasury for payment thereon. The Director of CDA is further authorized to
8 transfer funds among the purposes described in **Exhibit A** with the approval of the Board of
9 Estimate and Apportionment, to substitute HOME funding for CDBG funding budgeted
10 pursuant to this ordinance with the approval of the Board of Estimate and Apportionment, and,
11 to the extent that additional Tax Increment Financing Revenue, program income and/or other
12 funds become available, provided that the Board of Estimate and Apportionment shall approve
13 the expenditure of such funds.

14 **SECTION THREE. HOME APPROPRIATION**

15 There is further hereby appropriated the sum of Two Million and Nine Hundred
16 Thousand Dollars (\$2,900,000) of 2021 HOME Funds for the purposes described in **Exhibit A**
17 incorporated herein by reference. The Director of CDA is hereby authorized to make, negotiate
18 and execute any and all contracts or other documents including agreements associated with
19 guarantees in whole or in part of construction loans from private financial institutions, on behalf
20 of the City, which are necessary to carry out the City's HOME programs and to expend said
21 funds, and the Comptroller is authorized and directed to issue warrants upon the City Treasury
22 for payment thereon. The Director of CDA is further authorized to transfer funds among the
23 purposes described in **Exhibit A** with the approval of the Board of Estimate and Apportionment

1 and to substitute CDBG funding for HOME funding budgeted pursuant to this ordinance with
2 the approval of the Board of Estimate and Apportionment. At least fifteen percent of the
3 aforesaid 2021 HOME funds, or Four Hundred Thirty-Five Thousand Dollars (\$435,000), must
4 be committed to projects to be undertaken by certified Community Housing Development
5 Organizations (CHDOs).

6 **SECTION FOUR. ESG APPROPRIATION**

7 There is further appropriated the sum of One Million, Five Hundred Seventy-Five
8 Thousand, Three Hundred and Twenty-Two Dollars (\$1,575,322) of 2021 ESG Funds. The
9 Director of the Department of Human Services is hereby authorized to make, negotiate and
10 execute any and all contracts or other documents on behalf of the City which are necessary to
11 carry out the City's ESG programs and to expend said funds, and the Comptroller is authorized
12 and directed to issue warrants upon the City Treasury for payment thereon.

13 **SECTION FIVE. HOPWA APPROPRIATION**

14 There is further appropriated the sum of Two Million, Three Hundred Twenty- One
15 Thousand, Eight Hundred and Five Dollars (\$2,321,805) of 2021 HOPWA Funds. The
16 Director of Health and Hospitals is hereby authorized to make, negotiate and execute any and
17 all contracts or other documents on behalf of the City which are necessary to carry out the City's
18 HOPWA programs and to expend said funds, and the Comptroller is authorized and directed to
19 issue warrants upon the City Treasury for payment thereon.

20 **SECTION SIX.**

21 This being an ordinance necessary for the immediate preservation of the public peace,
22 health and safety and making appropriations for the payment of principal and interest on public
23 debt and for the current expenses of the City government, an emergency is hereby declared to

- 1 exist within the meaning of Section 20, Article IV, of the Charter and this ordinance shall be in
- 2 full force and effect immediately upon its passage and approval by the Mayor.