

BOARD BILL NO. 122 INTRODUCED BY ALDERMAN JOSEPH RODDY

1 An ordinance, recommended by the Board of Estimate and Apportionment,
2 authorizing the Mayor of the City of St. Louis, on behalf of the City, to submit a 2019
3 Annual Action Plan to the United States Department of Housing and Urban Development
4 ("HUD") as required to apply for funding under the Federal Community Development
5 Block Grant ("CDBG"), HOME Investment Partnership ("HOME"), Emergency Solutions
6 Grant ("ESG") and Housing Opportunities for Persons with AIDS ("HOPWA") Entitlement
7 Programs, authorizing and directing the Mayor and the Comptroller on behalf of the City to
8 enter into and execute agreements with HUD for the receipt of 2019 CDBG, HOME, ESG
9 and HOPWA funds, appropriating the sum of Seventeen Million, Three Hundred Seventy-
10 Five Thousand, Four Hundred and Eighty Dollars (\$17,375,480) which the City estimates
11 will be available for the 2019 CDBG Program Year; appropriating the sum of Two Million,
12 Six Hundred and Nine Thousand, Nine Hundred and Twelve Dollars (\$2,609,912) which the
13 City estimates will be available for the 2019 HOME Program Year; appropriating the sum of
14 One Million, Four Hundred Sixty-One Thousand, Six Hundred and Twenty-Four Dollars
15 (\$1,461,624) which the City estimates will be available for the 2019 ESG Program Year;
16 and appropriating the sum of One Million, Eight Hundred Twenty-Four Thousand, Six
17 Hundred and Ten Dollars (\$1,824,610) which the City estimates will be available for the
18 2019 HOPWA Program Year; authorizing and directing the Director of the Community
19 Development Administration ("CDA") to contract with municipal agencies, non-profit
20 corporations and other entities, as necessary, for the expenditure of CDBG and HOME
21 funds, to establish and implement a lump sum drawdown procedure for the purpose of

1 financing property rehabilitation activities, to establish and implement a program to
2 guarantee in whole or in part construction loans from private financial institutions, and/or to
3 establish and implement a procedure for providing financial assistance to CDBG-eligible
4 undertakings through float loan financing; authorizing and directing the Director of the
5 Department of Human Services ("DHS") to contract with municipal agencies, non-profit
6 corporations and other entities, as necessary for the expenditure of ESG funds; authorizing
7 and directing the Director of Health and Hospitals to contract with municipal agencies, non-
8 profit corporations and other entities, as necessary for the expenditure of HOPWA funds,
9 and directing the Comptroller to issue warrants thereon upon the City Treasury; and
10 containing an emergency clause.

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

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

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

20 **WHEREAS**, in Program Year 2015, the City enhanced its Citizen Participation Plan
21 to provide citizens and other interested parties with further opportunities to participate in an
22 advisory role in the planning, implementation and evaluation of the City's CDBG, HOME,
23 ESG and HOPWA programs.

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

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

7 **WHEREAS**, by failing to continue to implement the redesigned process, the City
8 places at risk its receipt of FY2019 HUD CDBG and HOME allocations; and

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

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

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

17 **WHEREAS**, 2019 CDBG, HOME, ESG and HOPWA funding will become available
18 on January 1, 2019; and

19 **WHEREAS**, in order to receive these funds, the City of St. Louis must continue to
20 implement the redesigned process and submit to HUD a 2019 Annual Plan by November 15,
21 2018; and

22 **WHEREAS**, it is estimated that the 2019 CDBG Entitlement, together with previous
23 year CDBG funds available for re-allocation, CDBG Program Income generated by activities

1 conducted with previous year CDBG funds that have not yet been appropriated for any
2 purpose and CDBG Program Income estimated to be generated by activities conducted in
3 2019 with CDBG funds, will amount to the sum of Eighteen Million, Two Hundred and Four
4 Thousand, Five Hundred and Eighty-Nine Dollars (\$18,204,589); and

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

12 **WHEREAS**, it is estimated that the 2019 HOME Entitlement, together with previous
13 year HOME funds available for allocation, HOME Program Income generated by activities
14 conducted with previous year HOME funds that have not yet been appropriated for any
15 purpose and HOME Program Income estimated to be generated by activities conducted in
16 2019 with HOME funds, will amount to the sum of Two Million, Six Hundred and Nine
17 Thousand, Nine Hundred and Twelve Dollars (\$2,609,912) and

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

1 **WHEREAS**, it is estimated that the 2019 ESG Entitlement, together with previous
2 year ESG funds available for allocation, will amount to the sum of One Million, Four Hundred
3 Sixty-One Thousand, Six Hundred and Twenty-Four Dollars (\$1,461,624); 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 2019 HOPWA Entitlement, together with
7 previous year HOPWA funds available for allocation, will amount to the sum of One Million,
8 Eight Hundred Twenty-Four Thousand, Six Hundred and Ten Dollars (\$1,824,610); and

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

11

12 **BE IT ORDAINED BY THE CITY OF ST. LOUIS:**

13

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

15 The Mayor of the City of St. Louis, on behalf of the City, is hereby authorized and
16 directed to submit an Annual Action Plan to the Department of Housing and Urban
17 Development in order to make application for the 2019 CDBG, HOME, ESG and HOPWA
18 Entitlement Programs.

19 **SECTION TWO. CDBG APPROPRIATION**

20 There is hereby appropriated the sum of Seventeen Million, Three Hundred Seventy-
21 Five Thousand, Four Hundred and Eighty Dollars (\$17,375,480) of 2019 CDBG funds for the
22 purposes described in Exhibit A incorporated herein by reference. The Director of CDA is
23 hereby authorized to make, negotiate and execute any and all contracts or other documents,

1 including disbursing agreements and/or other agreements associated with lump sum
2 drawdowns intended to facilitate property rehabilitation activities, including agreements
3 associated with guarantees in whole or in part of construction loans from private financial
4 institutions, and including agreements associated with the establishment and implementation
5 of a procedure for providing financial assistance to CDBG-eligible undertakings through float
6 loan financing, on behalf of the City, which are necessary to carry out the City's CDBG and
7 HOME programs and to expend said funds for the purposes and in the amounts specified in
8 Exhibit A attached hereto, and the Comptroller is authorized and directed to issue warrants
9 upon the City Treasury for payment thereon. The Director of CDA is further authorized to
10 transfer funds among the purposes described in Exhibit A with the approval of the Board of
11 Estimate and Apportionment, to substitute HOME funding for CDBG funding budgeted
12 pursuant to this ordinance with the approval of the Board of Estimate and Apportionment, and,
13 to the extent that additional Tax Increment Financing Revenue, program income and/or other
14 funds become available that reduce the amount of new CDBG funds required to make the
15 Section 108 loan payment, to add the amount of the CDBG Section 108 loan payment
16 reduction to the Citywide housing production allocation, provided that the Board of Estimate
17 and Apportionment shall approve the expenditure of such funds.

18 **SECTION THREE. HOME APPROPRIATION**

19 There is further hereby appropriated the sum of Two Million, Six Hundred and Nine
20 Thousand, Nine Hundred and Twelve Dollars (\$2,609,912) of 2019 HOME Funds for the
21 purposes described in Exhibit A incorporated herein by reference. The Director of CDA is
22 hereby authorized to make, negotiate and execute any and all contracts or other documents
23 including agreements associated with guarantees in whole or in part of construction loans from

1 private financial institutions, on behalf of the City, which are necessary to carry out the City's
2 HOME programs and to expend said funds, and the Comptroller is authorized and directed to
3 issue warrants upon the City Treasury for payment thereon. The Director of CDA is further
4 authorized to transfer funds among the purposes described in Exhibit A with the approval of
5 the Board of Estimate and Apportionment and to substitute CDBG funding for HOME
6 funding budgeted pursuant to this ordinance with the approval of the Board of Estimate and
7 Apportionment. At least fifteen percent of the aforesaid 2019 HOME funds, or Three
8 Hundred Ninety-One Thousand, Four Hundred and Eighty-Seven Dollars (\$391,487), must be
9 committed to projects to be undertaken by certified Community Housing Development
10 Organizations (CHDOs).

11 **SECTION FOUR. ESG APPROPRIATION**

12 There is further appropriated the sum of One Million, Four Hundred Sixty-One
13 Thousand, Six Hundred and Twenty-Four Dollars (\$1,461,624) of 2019 ESG Funds. The
14 Director of the Department of Human Services is hereby authorized to make, negotiate and
15 execute any and all contracts or other documents on behalf of the City which are necessary to
16 carry out the City's ESG programs and to expend said funds, and the Comptroller is
17 authorized and directed to issue warrants upon the City Treasury for payment thereon.

18 **SECTION FIVE. HOPWA APPROPRIATION**

19 There is further appropriated the sum of One Million, Eight Hundred Twenty-Four
20 Thousand, Six Hundred and Ten Dollars (\$1,824,610) of 2019 HOPWA Funds. The Director
21 of Health and Hospitals is hereby authorized to make, negotiate and execute any and all
22 contracts or other documents on behalf of the City which are necessary to carry out the City's

1 HOPWA programs and to expend said funds, and the Comptroller is authorized and directed
2 to issue warrants upon the City Treasury for payment thereon.

3 **SECTION SIX.**

4 This being an ordinance necessary for the immediate preservation of the public peace,
5 health and safety and making appropriations for the payment of principal and interest on
6 public debt and for the current expenses of the City government, an emergency is hereby
7 declared to exist within the meaning of Section 20, Article IV, of the Charter and this
8 ordinance shall be in full force and effect immediately upon its passage and approval by the
9 Mayor.