

ORDINANCE NUMBER
70133

BOARD BILL NO. 179

INTRODUCED BY: Alderman Joseph Roddy

1 An ordinance, recommended by the Board of Estimate and Apportionment, authorizing the
2 Mayor of the City of St. Louis, on behalf of the City, to submit a 2016 Annual Action Plan to the
3 United States Department of Housing and Urban Development ("HUD") as required to apply for
4 funding under the Federal Community Development Block Grant ("CDBG"), HOME Investment
5 Partnership ("HOME"), Emergency Solutions Grant ("ESG") and Housing Opportunities for Persons
6 with AIDS ("HOPWA") Entitlement Programs, authorizing and directing the Mayor and the
7 Comptroller on behalf of the City to enter into and execute agreements with HUD for the receipt of
8 2016 CDBG, HOME, ESG and HOPWA funds, appropriating the sum of Sixteen Million, Six
9 Hundred and Fifty Thousand, Two Hundred and Four Dollars (\$16,650,204) which the City
10 estimates will be available for the 2016 CDBG Program Year; appropriating the sum of Two
11 Million, One Hundred Thousand Dollars (\$2,100,000) which the City estimates will be available for
12 the 2016 HOME Program Year; appropriating the sum of One Million, Five Hundred and Four
13 Thousand, Nine Hundred and Thirty Seven Dollars (\$1,504,937) which the City estimates will be
14 available for the 2016 ESG Program Year; and appropriating the sum of One Million, Four Hundred
15 and Three Thousand, Nine Hundred and Sixty-Two Dollars (\$1,403,962) which the City estimates
16 will be available for the 2016 HOPWA Program Year, authorizing and directing the Director of the
17 Community Development Administration ("CDA") to contract with municipal agencies, non-profit
18 corporations and other entities, as necessary for the expenditure of CDBG and HOME funds, to
19 establish and implement a lump sum drawdown procedure for the purpose of financing property
20 rehabilitation activities, to establish and implement a program to guarantee in whole or in part
21 construction loans from private financial institutions, and/or to establish and implement a procedure
22 for providing financial assistance to CDBG-eligible undertakings through float loan financing,

Date: September 25, 2015

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(Sponsor: Alderman Joseph Roddy)

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1 authorizing and directing the Director of the Department of Human Services ("DHS") to contract
2 with municipal agencies, non-profit corporations and other entities, as necessary for the expenditure
3 of ESG funds, authorizing and directing the Director of Health and Hospitals to contract with
4 municipal agencies, non-profit corporations and other entities, as necessary for the expenditure of
5 HOPWA funds, and directing the Comptroller to issue warrants thereon upon the City Treasury; and
6 containing an emergency clause.

7 WHEREAS, in 2012 the St. Louis HUD Field Office initiated a Technical Assistance request
8 for the City to enhance the City's ability to address capacity gaps identified during an on-site needs
9 assessment spurred by HUD's OneCPD Technical Assistance Office; and

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

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

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

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

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

4 WHEREAS, by failing to continue to implement the redesigned process, the City places
5 at risk its receipt of HUD FY2016 HUD CDBG and HOME allocations; and

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

8 WHEREAS, such payback funds must be obtained by the City from non-federal funding
9 sources; and,

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

13 WHEREAS, 2016 CDBG, HOME, ESG and HOPWA funding will become available on
14 January 1, 2016; and

15 WHEREAS, in order to receive these funds, the City of St. Louis must continue to
16 implement the redesigned process and submit to HUD a 2016 Annual Plan by November 15,
17 2015; and

18 WHEREAS, it is estimated that the 2016 CDBG Entitlement, together with previous year
19 CDBG funds available for re-allocation, CDBG Program Income generated by activities conducted
20 with previous year CDBG funds that have not yet been appropriated for any purpose and CDBG
21 Program Income estimated to be generated by activities conducted in 2016 with CDBG funds, will
22 amount to the sum of Seventeen Million, Six Hundred Fifty Thousand, Two Hundred and Four
23 Dollars (\$17,650,204); and

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

8 WHEREAS, it is estimated that the 2016 HOME Entitlement, together with previous year
9 HOME funds available for allocation, HOME Program Income generated by activities conducted
10 with previous year HOME funds that have not yet been appropriated for any purpose and HOME
11 Program Income estimated to be generated by activities conducted in 2016 with HOME funds, will
12 amount to the sum of Two Million, One Hundred Thousand Dollars (\$2,100,000) and

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

17 WHEREAS, it is estimated that the 2016 ESG Entitlement, together with previous year ESG
18 funds available for allocation, will amount to the sum of One Million, Five Hundred and Four
19 Thousand, Nine Hundred Thirty-Seven Dollars (\$1,504,937); and

20 WHEREAS, the City desires to appropriate the ESG Entitlement for needs related to the
21 purpose of the ESG program; and

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1 WHEREAS, it is estimated that the 2016 HOPWA Entitlement, together with previous year
2 HOPWA funds available for allocation, will amount to the sum of One Million, Four Hundred and
3 Three Thousand, Nine Hundred and Sixty-Two Dollars (\$1,403,962); and

4 WHEREAS, the City desires to appropriate the HOPWA Entitlement for needs related to the
5 purpose of the HOPWA program.

6 NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS, AS FOLLOWS:

7 Section One. The Mayor of the City of St. Louis, on behalf of the City, is hereby authorized
8 and directed to submit an Annual Action Plan to the Department of Housing and Urban
9 Development in order to make application for the 2016 CDBG, HOME, ESG and HOPWA
10 Entitlement Programs.

11 Section Two. There is hereby appropriated the sum of Sixteen Million, Six Hundred and
12 Fifty Thousand, Two Hundred and Four Dollars (\$16,650,204) of 2016 CDBG funds for the
13 purposes described in Exhibit A incorporated herein by reference. The Director of CDA is hereby
14 authorized to make, negotiate and execute any and all contracts or other documents, including
15 disbursing agreements and/or other agreements associated with lump sum drawdowns intended to
16 facilitate property rehabilitation activities, including agreements associated with guarantees in whole
17 or in part of construction loans from private financial institutions, and including agreements
18 associated with the establishment and implementation of a procedure for providing financial
19 assistance to CDBG-eligible undertakings through float loan financing, on behalf of the City, which
20 are necessary to carry out the City's CDBG and HOME programs and to expend said funds for the
21 purposes and in the amounts specified in Exhibit A attached hereto, and the Comptroller is
22 authorized and directed to issue warrants upon the City Treasury for payment thereon. The Director
23 of CDA is further authorized to transfer funds among the purposes described in Exhibit A with the

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1 approval of the Board of Estimate and Apportionment, to substitute HOME funding for CDBG
2 funding budgeted pursuant to this ordinance with the approval of the Board of Estimate and
3 Apportionment, and, to the extent that additional Tax Increment Financing Revenue, program
4 income and/or other funds become available that reduce the amount of new CDBG funds required to
5 make the Section 108 loan payment, to add the amount of the CDBG Section 108 loan payment
6 reduction to the Citywide housing production allocation, provided that the Board of Estimate and
7 Apportionment shall approve the expenditure of such funds.

8 Section Three. There is further hereby appropriated the sum of Two Million, One Hundred
9 Thousand Dollars (\$2,100,000) of 2016 HOME Funds for the purposes described in Exhibit A
10 incorporated herein by reference. The Director of CDA is hereby authorized to make, negotiate and
11 execute any and all contracts or other documents including agreements associated with guarantees in
12 whole or in part of construction loans from private financial institutions, on behalf of the City, which
13 are necessary to carry out the City's HOME programs and to expend said funds, and the Comptroller
14 is authorized and directed to issue warrants upon the City Treasury for payment thereon. The
15 Director of CDA is further authorized to transfer funds among the purposes described in Exhibit A
16 with the approval of the Board of Estimate and Apportionment and to substitute CDBG funding for
17 HOME funding budgeted pursuant to this ordinance with the approval of the Board of Estimate and
18 Apportionment. At least fifteen percent of the aforesaid 2016 HOME funds, or Three Hundred
19 Fifteen Thousand Dollars (\$315,000), must be committed to projects to be undertaken by certified
20 Community Housing Development Organizations (CHDOs).

21 Section Four. There is further appropriated the sum of One Million, Five Hundred and
22 Four Thousand, Nine Hundred and Thirty-Seven Dollars (\$1,504,937) of 2016 ESG Funds. The
23 Director of the Department of Human Services is hereby authorized to make, negotiate and execute

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1 any and all contracts or other documents on behalf of the City which are necessary to carry out the
2 City's ESG programs and to expend said funds, and the Comptroller is authorized and directed to
3 issue warrants upon the City Treasury for payment thereon.

4 Section Five. There is further appropriated the sum of One Million, Four Hundred and
5 Three Thousand, Nine Hundred and Sixty-Two Dollars (\$1,403,962) of 2016 HOPWA Funds.
6 The Director of Health and Hospitals is hereby authorized to make, negotiate and execute any and
7 all contracts or other documents on behalf of the City which are necessary to carry out the City's
8 HOPWA programs and to expend said funds, and the Comptroller is authorized and directed to issue
9 warrants upon the City Treasury for payment thereon.

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