

ORDINANCE 70868

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
13 the City estimates will be available for the 2019 HOME Program Year; appropriating the
14 sum of One Million, Four Hundred Sixty-One Thousand, Six Hundred and Twenty-Four
15 Dollars (\$1,461,624) which the City estimates will be available for the 2019 ESG Program
16 Year; and appropriating the sum of One Million, Eight Hundred Twenty-Four Thousand,
17 Six Hundred and Ten Dollars (\$1,824,610) which the City estimates will be available for
18 the 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

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

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

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

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

22 **WHEREAS**, in Program Year 2015, 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.

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 FY2019 HUD CDBG and HOME allocations; and

11 **WHEREAS**, by failing to continue to implement the redesigned process the City
12 further risks demands 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
17 HOME funds will ultimately harm the very individuals that the programs were designed to
18 assist; and

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

1 **WHEREAS**, in order to receive these funds, the City of St. Louis must continue to
2 implement the redesigned process and submit to HUD a 2019 Annual Plan by November 15,
3 2018; and

4 **WHEREAS**, it is estimated that the 2019 CDBG Entitlement, together with previous
5 year CDBG funds available for re-allocation, CDBG Program Income generated by activities
6 conducted with previous year CDBG funds that have not yet been appropriated for any
7 purpose and CDBG Program Income estimated to be generated by activities conducted in
8 2019 with CDBG funds, will amount to the sum of Eighteen Million, Two Hundred and Four
9 Thousand, Five Hundred and Eighty-Nine Dollars (\$18,204,589); and

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

17 **WHEREAS**, it is estimated that the 2019 HOME Entitlement, together with previous
18 year HOME funds available for allocation, HOME Program Income generated by activities
19 conducted with previous year HOME funds that have not yet been appropriated for any
20 purpose and HOME Program Income estimated to be generated by activities conducted in
21 2019 with HOME funds, will amount to the sum of Two Million, Six Hundred and Nine
22 Thousand, Nine Hundred and Twelve Dollars (\$2,609,912) and

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

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

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

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

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

15

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

17

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

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

1 **SECTION TWO. CDBG APPROPRIATION**

2 There is hereby appropriated the sum of Seventeen Million, Three Hundred Seventy-
3 Five Thousand, Four Hundred and Eighty Dollars (\$17,375,480) of 2019 CDBG funds for the
4 purposes described in Exhibit A incorporated herein by reference. The Director of CDA is
5 hereby authorized to make, negotiate and execute any and all contracts or other documents,
6 including disbursing agreements and/or other agreements associated with lump sum
7 drawdowns intended to facilitate property rehabilitation activities, including agreements
8 associated with guarantees in whole or in part of construction loans from private financial
9 institutions, and including agreements associated with the establishment and implementation
10 of a procedure for providing financial assistance to CDBG-eligible undertakings through float
11 loan financing, on behalf of the City, which are necessary to carry out the City’s CDBG and
12 HOME programs and to expend said funds for the purposes and in the amounts specified in
13 Exhibit A attached hereto, and the Comptroller is authorized and directed to issue warrants
14 upon the City Treasury for payment thereon. The Director of CDA is further authorized to
15 transfer funds among the purposes described in Exhibit A with the approval of the Board of
16 Estimate and Apportionment, to substitute HOME funding for CDBG funding budgeted
17 pursuant to this ordinance with the approval of the Board of Estimate and Apportionment,
18 and, to the extent that additional Tax Increment Financing Revenue, program income and/or
19 other funds become available that reduce the amount of new CDBG funds required to make
20 the Section 108 loan payment, to add the amount of the CDBG Section 108 loan payment
21 reduction to the Citywide housing production allocation, provided that the Board of Estimate
22 and Apportionment shall approve the expenditure of such funds.

23 **SECTION THREE. HOME APPROPRIATION**

1 There is further hereby appropriated the sum of Two Million, Six Hundred and Nine
2 Thousand, Nine Hundred and Twelve Dollars (\$2,609,912) of 2019 HOME Funds for the
3 purposes described in Exhibit A incorporated herein by reference. The Director of CDA is
4 hereby authorized to make, negotiate and execute any and all contracts or other documents
5 including agreements associated with guarantees in whole or in part of construction loans
6 from private financial institutions, on behalf of the City, which are necessary to carry out the
7 City’s HOME programs and to expend said funds, and the Comptroller is authorized and
8 directed to issue warrants upon the City Treasury for payment thereon. The Director of CDA
9 is further authorized to transfer funds among the purposes described in Exhibit A with the
10 approval of the Board of Estimate and Apportionment and to substitute CDBG funding for
11 HOME funding budgeted pursuant to this ordinance with the approval of the Board of
12 Estimate and Apportionment. At least fifteen percent of the aforesaid 2019 HOME funds, or
13 Three Hundred Ninety-One Thousand, Four Hundred and Eighty-Seven Dollars (\$391,487),
14 must be committed to projects to be undertaken by certified Community Housing
15 Development Organizations (CHDOs).

16 **SECTION FOUR. ESG APPROPRIATION**

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

23 **SECTION FIVE. HOPWA APPROPRIATION**

1 There is further appropriated the sum of One Million, Eight Hundred Twenty-Four
2 Thousand, Six Hundred and Ten Dollars (\$1,824,610) of 2019 HOPWA Funds. The Director
3 of Health and Hospitals is hereby authorized to make, negotiate and execute any and all
4 contracts or other documents on behalf of the City which are necessary to carry out the City's
5 HOPWA programs and to expend said funds, and the Comptroller is authorized and directed
6 to issue warrants upon the City Treasury for payment thereon.

7 **SECTION SIX.**

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