BOARD BILL NO. 198CS

INTRODUCED BY: Alderman Alfred Wessels, Jr.

An ordinance, recommended by the Board of Estimate and Apportionment, authorizing the Mayor of the City of St. Louis, on behalf of the City, to submit a 2014 Annual Plan to the United States Department of Housing and Urban Development ("HUD") as required to apply for funding under the Federal Community Development Block Grant ("CDBG"), HOME Investment Partnership ("HOME"), Emergency Solutions Grant ("ESG") and Housing Opportunities for Persons with AIDS ("HOPWA") Entitlement Programs, authorizing and directing the Mayor and the Comptroller on behalf of the City to enter into and execute agreements with HUD for the receipt of 2014 CDBG, HOME, ESG and HOPWA funds, appropriating the sum of Sixteen Million Five Hundred Ninety Six Thousand Eight Hundred Eighty One Dollars ($16,596,881) which the City estimates will be available for the 2014 CDBG Program Year; appropriating the sum of Two Million Two Hundred Sixty Thousand Eight Hundred One Dollars ($2,260,801) which the City estimates will be available for the 2014 HOME Program Year; appropriating the sum of One Million One Hundred Fifty Seven Thousand Nine Hundred Forty Two Dollars ($1,157,942) which the City estimates will be available for the 2014 ESG Program Year; and appropriating the sum of One Million Two Hundred Fifty Thousand Seven Hundred Thirty Dollars ($1,250,073) which the City estimates will be available for the 2014 HOPWA Program Year, authorizing and directing the Director of the Community Development Administration ("CDA") to contract with municipal agencies, non-profit corporations and other entities, as necessary for the expenditure of CDBG and HOME funds, to establish and implement a lump sum drawdown procedure for the purpose of financing property rehabilitation activities, to establish and implement a program to guarantee in whole or in part construction loans from private financial institutions, and/or to establish and implement a procedure for providing financial assistance to CDBG-eligible undertakings through float loan financing, authorizing and
directing the Director of the Department of Human Services ("DHS") to contract with municipal agencies, non-profit corporations and other entities, as necessary for the expenditure of ESG funds, authorizing and directing the Director of Health and Hospitals to contract with municipal agencies, non-profit corporations and other entities, as necessary for the expenditure of HOPWA funds, and directing the Comptroller to issue warrants thereon upon the City Treasury; and containing an emergency clause.

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

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

WHEREAS, HUD is now scrutinizing the Consolidated Planning and budgeting processes employed by the City of St. Louis to insure compliance with all applicable federal statutes, regulations and policy guidance; and

WHEREAS, the City must assure HUD that allocation and management of CDBG and HOME funds are carried out such as to achieve maximum community and housing development impact and benefit; and

WHEREAS, by failing to implement a redesigned process the City places at risk its receipt of HUD 2014 CDBG and HOME allocations; and

WHEREAS, by failing to implement such a redesigned process the City further risks demands for the repayment of CDBG and HOME funds expended in prior program years; and,
WHEREAS, such payback funds must be obtained by the City from non-federal funding sources; and,

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

WHEREAS, 2014 CDBG, HOME, ESG and HOPWA funding will become available on January 1, 2014; and

WHEREAS, in order to receive these funds, the City of St. Louis must immediately implement the proposed redesign and submit to HUD a 2014 Annual Plan by November 15, 2013; and

WHEREAS, it is estimated that the 2014 CDBG Entitlement, together with previous year CDBG funds available for re-allocation, CDBG Program Income generated by activities conducted with previous year CDBG funds that have not yet been appropriated for any purpose and CDBG Program Income estimated to be generated by activities conducted in 2014 with CDBG funds, will amount to the sum of Sixteen Million Five Hundred Ninety Six Thousand Eight Hundred Eighty Eight Dollars ($16,596,881); and

WHEREAS, the City has identified certain known appropriation needs as summarized in Exhibit A, and the City desires to appropriate the CDBG Entitlement and Program Income Funds for these needs, to establish and implement a lump sum drawdown procedure to finance and facilitate property rehabilitation activities to establish and implement a program to guarantee in whole or in part construction loans from private financial institutions, and to establish and implement a procedure for providing financial assistance to CDBG-eligible undertakings through float loan financing, and
WHEREAS, it is estimated that the 2014 HOME Entitlement, together with previous year HOME funds available for allocation, HOME Program Income generated by activities conducted with previous year HOME funds that have not yet been appropriated for any purpose and HOME Program Income estimated to be generated by activities conducted in 2014 with HOME funds, will amount to the sum of Two Million Two Hundred Sixty Thousand Eight Hundred One Dollars ($2,260,801); and

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

WHEREAS, it is estimated that the 2014 ESG Entitlement, together with previous year ESG funds available for allocation, will amount to the sum of One Million One Hundred Fifty Seven Thousand Five Hundred Dollars ($1,157,942); and

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

WHEREAS, it is estimated that the 2014 HOPWA Entitlement, together with previous year HOPWA funds available for allocation, will amount to the sum of One Million Two Hundred Fifty Thousand Seventy Three Dollars ($1,250,073); and

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

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

Date: November 1, 2013__
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Board Bill No. 198CS      Sponsor: Alderman Alfred Wessels, Jr.
Section One. The Mayor of the City of St. Louis, on behalf of the City, is hereby authorized
and directed to submit an Annual Plan to the Department of Housing and Urban Development in
order to make application for the 2014 CDBG, HOME, ESG and HOPWA Entitlement Programs.

Section Two. There is hereby appropriated the sum of Sixteen Million Five Hundred
Ninety Six Thousand Eight Hundred Eighty One Dollars ($16,596,881) of 2014 CDBG funds for
the purposes described in Exhibit A incorporated herein by reference. The Director of CDA is
hereby authorized to make, negotiate and execute any and all contracts or other documents,
including disbursing agreements and/or other agreements associated with lump sum drawdowns
intended to facilitate property rehabilitation activities, including agreements associated with
 guarantees in whole or in part of construction loans from private financial institutions, and including
agreements associated with the establishment and implementation of a procedure for providing
financial assistance to CDBG-eligible undertakings through float loan financing, on behalf of the
City, which are necessary to carry out the City’s CDBG and HOME programs and to expend said
funds for the purposes and in the amounts specified in Exhibit A attached hereto, and the
Comptroller is authorized and directed to issue warrants upon the City Treasury for payment
thereon. The Director of CDA is further authorized to transfer funds among the purposes described
in Exhibit A with the approval of the Board of Estimate and Apportionment, to substitute HOME
funding for CDBG funding budgeted pursuant to this ordinance with the approval of the Board of
Estimate and Apportionment, and, to the extent that additional Tax Increment Financing Revenue,
program income and/or other funds become available that reduce the amount of new CDBG funds
required to make the Section 108 loan payment, to add the amount of the CDBG Section 108 loan
payment reduction to the Citywide housing production allocation, provided that the Board of
Estimate and Apportionment shall approve the expenditure of such funds.
Section Three. There is further hereby appropriated the sum of Two Million Two Hundred
Sixty Thousand Eight Hundred One Dollars ($2,260,801) of 2014 HOME Funds for the purposes
described in Exhibit A incorporated herein by reference. The Director of CDA is hereby authorized
to make, negotiate and execute any and all contracts or other documents including agreements
associated with guarantees in whole or in part of construction loans from private financial
institutions, on behalf of the City, which are necessary to carry out the City’s HOME programs and
to expend said funds, and the Comptroller is authorized and directed to issue warrants upon the City
Treasury for payment thereon. The Director of CDA is further authorized to transfer funds among
the purposes described in Exhibit A with the approval of the Board of Estimate and Apportionment
and to substitute CDBG funding for HOME funding budgeted pursuant to this ordinance with the
approval of the Board of Estimate and Apportionment. At least fifteen percent of the aforesaid 2014
HOME funds, or Three Hundred Thirty Nine Thousand One Hundred Twenty Dollars ($339,120),
must be committed to projects to be undertaken by certified Community Housing Development
Organizations (CHDOs).

Section Four. There is further appropriated the sum of One Million One Hundred Fifty
Seven Thousand Nine Hundred Forty Two Dollars ($1,157,942) of 2014 ESG Funds. The
Director of the Department of Human Services is hereby authorized to make, negotiate and execute
any and all contracts or other documents on behalf of the City which are necessary to carry out the
City’s ESG programs and to expend said funds, and the Comptroller is authorized and directed to
issue warrants upon the City Treasury for payment thereon.

Section Five. There is further appropriated the sum of One Million Two Hundred Fifty
Thousand Seventy Three Dollars ($1,250,073) of 2014 HOPWA Funds. The Director of Health
and Hospitals is hereby authorized to make, negotiate and execute any and all contracts or other
documents on behalf of the City which are necessary to carry out the City’s HOPWA programs and
to expend said funds, and the Comptroller is authorized and directed to issue warrants upon the City
Treasury for payment thereon.

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