

STAFF REPORT

City of Lancaster

CC 18
06/22/10
MVB

Date: June 22, 2010

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Return of Community Development Block Grant (CDBG) Funds**

Recommendation:

Approve appropriations listed below to enable a return of \$306,291 in Community Development Block Grant (CDBG) funds drawn during fiscal years 07/08 and 08/09. Funds will be reimbursed to U. S. Department of Housing and Urban Development (HUD).

101-4999361	Transfer Out-CDBG Fund	\$174,770
361-3990101	Transfer In-General Fund	(\$174,770)
361-4541772	Reimbursement – HUD draws	\$306,291

Fiscal Impact:

General Fund received \$174,770 as reimbursements for programs, which is required to be returned. The remaining balance of \$131,521 will come from CDBG fund balance.

Background:

The City of Lancaster has been a CDBG entitlement community since 1986 and receives an annual grant for developing viable urban communities that encompasses decent housing and a suitable living environment, and expanded economic opportunities, primarily for low- and moderate-income persons. As such, \$281,968 was drawn down from HUD to reimburse costs associated with the Parks, Recreation and Arts CARES program, and \$24,323 for the Fee Waiver program. After the funds were received, it was discovered that these are ineligible programs under CDBG guidelines. The combined total of \$306,291 will be reimbursed to HUD immediately upon Council's approval.

EB:CS:de

Attachment: None