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## City of Annapolis

### DEPARTMENT OF PLANNING AND ZONING

145 Gorman Street, 3<sup>rd</sup> Floor, Annapolis, Maryland 21401

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C. PETE GUTWALD, AICP  
DIRECTOR

December 10, 2015

#### MEMORANDUM

TO: Housing and Community Development Committee

FROM: C. Peter Gutwald, Director of Planning and Zoning  
Theresa Wellman, Community Development Administrator

RE: Community Development Block Grant Program Income

HUD is requesting that the city allocate its FY 2015 program income of approximately \$136,000 for activities that can incur expenses in this fiscal year. The reason for this request is twofold. First, the city is required to use its program income before its entitlement funds. Second, the city is required to meet a timeliness standard for drawing down its CDBG funds. This standard is maintaining a ratio of 1.5 of funds that are in its line of credit divided by its most recent award. Currently the city ratio is well above that number (1.99) because of the unusually large amount the City received (\$128,000) in FY 2015. This amount greatly increased the amount of funds that we have on hand. Typically, the city receives approximately \$12,000 or less in program income annually.

After consulting with our HUD representative, we determined that the best course of action is to allocate the \$136,000 as follows:

- Light House Permanent Supportive Housing (\$30,000): This project is underway, the environmental review is complete, and the city is currently supporting the project with two CDBG awards in FY 2014 and FY 2015. The Light House has applied for \$25,000 in FY 2017 funds, however because they have already signed a construction contract, they have pre-incurred costs. This prevents the city from funding them with FY 2017 funds. By adding funds to the current year award, the city can fund the Light House request for \$25,000 in CDBG capital funds for FY 2017 and make up the difference between last year's request of \$25,000. We were only able to award \$18,000 in FY 2015.
- Stanton Center Rehabilitation (\$35,000): Again, improvements to the Stanton Center are underway and the environmental review is completed. Funding the improvements with grant funds saves the city money it could use on other projects.
- Additional Funding for Public Services (\$19,337): HUD rules also allow the city to use of 15% of the prior year's program income for public services. Because this program income was received after the Action Plan, it was not available for funding FY 2016 projects. The addition of this program income would allow the city to increase each public service project allocation by 52%.
- Administration (\$49,728): Each year HUD regulations allow the city to expend 20% of its entitlement allocation on general administration. Over the past several years departmental budget cuts have necessitated the use of these funds for administrative purposes.

## PUBLIC NOTICE

### PROPOSED SUBSTANTIAL AMENDMENT TO THE FISCAL YEAR (FY) 2016 HOUSING AND COMMUNITY DEVELOPMENT ACTION PLAN OF THE CITY OF ANNAPOLIS, MARYLAND

City of Annapolis  
Department of Planning and Zoning  
Community Development Division  
145 Gorman Street 3<sup>rd</sup> floor  
Annapolis, MD 21401  
410-263-7961

The City of Annapolis is amending its FY 2016 Action Plan by allocating approximately \$136,000 in Community Development Block Grant (CDBG) funds from program income to provide additional funds following activities:

Stanton Center Facilities Rehabilitation - \$35,000.00  
Light House Shelter Permanent Supportive Housing - \$30,000.00  
Program Administration - \$49,530.00  
Blessed In Tech: \$1,037  
Center of Help: \$5,444  
Light House Shelter: \$3,370  
OIC: \$4,666  
Restoration Community Dev. Corp: \$2,748  
Samaritan House: \$2,072

This change in use of these funds requires a substantial amendment to the City's FY 2016 Housing and Community Development Action Plan. This Plan governs the City's use of its federal community development and housing funds.

The amendment to the FY 2016 Action Plan is available for review and comment by the public from December 21, 2015 to January 20, 2016 at the Community Development Office (third floor), Planning and Zoning Department, 145 Gorman Street, Annapolis, MD 21401 and on the City's web site <http://annapolis.gov>. Copies of the Amendment will be made available in a form accessible to persons with disabilities upon request. Information on these programs is advertised through the Radio Reading Service of Maryland. Should a large print copy of this public notice be required, please call the Community Development Division at the above number. Hearing impaired persons should call 711 Maryland Relay should they wish to call the above offices.