

Submitted by: Chairman of the Assembly  
at the Request of the Mayor  
Prepared by: Planning Department

CLERK'S OFFICE

APPROVED

For reading: April 15, 2003

Date: 4-22-03

Anchorage, Alaska  
AR NO 2003- 84

A RESOLUTION APPROPRIATING COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME AND HOME INVESTMENT PARTNERSHIP RECAPTURED FUNDS GENERATED BY U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS IN THE AMOUNTS OF TWO HUNDRED SEVENTY ONE THOUSAND FOUR HUNDRED SIX DOLLARS (\$271,406) OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME, AND ONE HUNDRED FORTY FOUR THOUSAND TWO HUNDRED THIRTY ONE DOLLARS (\$144,231) OF HOME RECAPTURED FUNDS IN THE PLANNING DEPARTMENT TO THE FEDERAL CATEGORICAL GRANTS FUND (241).

WHEREAS, the Municipality of Anchorage has deposited U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program income and HOME Investment Partnership (HOME) recaptured loan funds into DeptID *HUD Loan Recoveries* project (1596G) within the Federal Categorical Grant Fund 241; and

WHEREAS, the CDBG program income and HOME recaptured funds will be used to cover eligible HUD program expenditures; and

WHEREAS, the incurrence of said expenditures are part of the approved 2001 and 2002 approved *Action Plans* of the *2000-2002 Consolidated Housing and Community Development Plan*; and

WHEREAS, the Anchorage Municipal Assembly adopted the *2001 and 2002 Action Plans* of the *2000-2002 Consolidated Housing and Community Development Plan* in previous years; and

WHEREAS, U.S. Department of Housing and Urban Development regulation requires that CDBG program income and HOME recaptured funds be used before asking for reimbursement of entitlement funds.

THEREFORE, the Anchorage Assembly Resolves:

**Section 1.** That the CDBG program income funds generated from United States Department of Housing and Urban Development (HUD) projects be appropriated for CDBG expenses, in the amount of two hundred seventy one thousand four hundred six dollars (\$271,406) to the Federal Categorical Grant Fund (241), Planning Department.

**Section 2.** That the HOME recaptured funds generated from United  
Department of Housing and Urban Development (HUD) projects be appropri  
HOME expenses, in the amount of one hundred forty four thousand two hund  
one dollars (\$144,231) of HOME recaptured funds to the Federal Categori  
Fund (241), Planning Department.

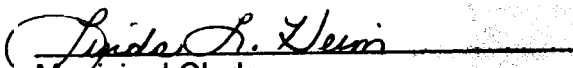
**Section 3.** That the allocation of said grant funds will be based on the :  
outlined in the attached Assembly Memorandum, and in the approved 2001 a  
*Action Plans* of the 2000-2002 Consolidated Housing and Community Deve  
Plan.

**Section 4.** That this resolution shall be effective immediately upon passe  
approval by the Anchorage Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 22<sup>nd</sup>  
April, 2003.

  
Chairman

ATTEST:

  
Municipal Clerk

Department Appropriation	\$415,637	Planning Department
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**MUNICIPALITY OF ANCHORAGE  
ASSEMBLY MEMORANDUM**

**No. AM 334 -2003**

**Meeting Date: April 15, 2003**

**From: Mayor**

**Subject: Appropriation of U.S. Department of Housing and Urban Development CDBG Program Income and HOME Recaptured Funds Collected By the Municipality of Anchorage From 1999-2002.**

Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) grants are managed by the Planning Department, Community Development Division. The Community Development Division requests approval of the attached resolution to appropriate U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant program income and HOME Investment Partnership Grant recaptured funds, in accordance with HUD regulation 570.504(2)(i) and (ii) for CDBG program income, and HUD CPD Notice 01-13 (IV)(2) for HOME recaptured funds. The federal policies are as follows:

HUD regulation 570.504(2) states, "if the recipient chooses to retain program income, that program income shall be disposed of as follows:

(i) Program income in the form of repayments to, or interest earned on a revolving fund...shall be substantially disbursed from the fund before additional cash withdrawals are made from the U.S. Treasury for the same activity.

(ii) Substantially all other program income shall be disbursed for eligible activities before additional cash withdrawals are made from the U.S. Treasury."

HUD CPD Notice 01-13(IV)(2) states, "HOME funds in the local account of the HOME Investment Trust Fund...must be disbursed before drawdown requests are made for HOME funds in the United States Treasury account...".

HUD awards the Municipality of Anchorage (MOA) the CDBG and HOME entitlement funds annually to fund HUD-related programs. Some CDBG projects create revenues through repayments and earned interest, which are directly deposited into the MOA bank account; these funds are referred to as Program Income. HOME has a program called AnCHOR, which is a homeownership loan program. When these loans are repaid, they become recaptured funds and are used to finance additional AnCHOR loans. Program income and recaptured funds are additional fund sources and do not reduce the amount of the HUD entitlement.

The program income and recaptured funds generated by CDBG and HOME will be used to cover expenses that have already been incurred to date prior to using entitlement as stated by the HUD regulations above.

CDBG program income can be split to fund administration and project expenses: twenty percent (20%) of program income is used for additional administration expenses and eighty percent (80%) is used to cover additional project expenses. One hundred percent (100%) of HOME recaptured funds must be used to cover project expenses.

The following table represents the amount of funds that will be used to cover current program expenses:

**CDBG Expenses to be Reimbursed Using Program Income:**

1. Renaissance Park Playground Package	\$77,635
2. Catholic Social Services Mobile Home Dislocation	\$ 1,040
3. Dena Coy	\$44,241
4. Boys and Girls Club HVAC Rehab	\$ 4,290
5. Slum and Blight/Junk Auto	\$10,798
6. Mobile Home Dislocation	\$ 8,604
7. Boys and Girls Club (Public Service)	\$ 5,311
8. STAR (Public Service)	\$26,219
9. Anchorage Literacy (Public Service)	\$26,830
10. Alaska Legal (Public Service)	\$12,047
11. Emergency Repair	\$ 110
12. Grant Management Administration	<u>\$54,281</u>
<b>Total</b>	<b>\$271,406</b>

**HOME Expenses to be Reimbursed Using Recaptured Funds**

Anchorage Community Home Ownership (AnCHOR)	<u>\$ 144,23</u>
<b>Total</b>	<b>\$ 144,23</b>

The accounting information is attached in Attachment A.

THE ADMINISTRATION RECOMMENDS ADOPTION OF THE ATTACHED RESOLUTION APPROPRIATING CDBG PROGRAM INCOME AND HOME RECAPTURED FUNDS TO REIMBURSE HUD PROGRAM EXPENSES IN ADDITION TO USING U.S. TREASURY ENTITLEMENT HUD GRANT FUNDS.

Prepared By: Beverly Jones, Division Manager, Community Development

Fund Certification: Kate Giard, CFO

PY03 CDBG and HOME

241-1596G-9613 BP2003 \$ 248,614

241-1596G-9761 BP2003 \$ 167,023

Concur: Michael J. Scott, Executive Director, Office of Planning, Development, and Public Works

Concur: Harry J. Kieling, Jr., Municipal Manager

Respectfully Submitted: George P. Wuerch, Mayor

**Attachment A**

**REVENUE FUNDS TO BE PROGRAMMED AND EXPENSES TO BE PAID**

**CDBG Program Income**

<u>Account</u>	<u>Project Name</u>	<u>Amount</u>
241-1596G-9613	Loan Recoveries	\$ 104,38
241-1596G-9761	Cash Pools Short-Term Interest	\$ 167,02
	Total	\$ 271,40

**CDBG Expense**

<u>Account</u>	<u>Project Name</u>	<u>Amount</u>
241-1596G-1101	Labor	\$ 4,23
241-1596G-1201	Overtime	\$ 5
241-1596G-1301	Leave/Holiday	\$ 16
241-1596G-1401	Benefits	\$ 35
241-1596G-2101	Office Supplies	\$ 6,39
241-1596G-2201	Operating Supplies	\$ 4,86
241-1596G-3101	Professional Services	\$ 38,14
241-1596G-3802	Advertising	\$ 4,49
241-1596G-3814	Miscellaneous	\$ 1,30
241-1596G-3815	Contributions to Outside Organizations	\$ 211,21
241-1596G-6145	General Liability	\$ 5
241-1596G-6147	Worker's Compensation	\$ 13
	Total	\$ 271,40

**HOME RECAPTURED FUNDS**

<u>Account</u>	<u>Project Name</u>	<u>Amount</u>
241-1596G-9613	Loan Recoveries	\$ 144,23
	Total	\$ 144,23

**HOME EXPENSES**

<u>Account</u>	<u>Project Name</u>	<u>Amount</u>
241-1596G-3815	Contributions to Outside Organizations	\$144,231
	Total	\$144,231

## Content Information

Content ID : 000607

Appropriation of U.S. Department of Housing and Urban Development CDBG  
 Title: Program Income and HOME Recaptured Funds Collected By the Municipality of  
 Anchorage From 1999-2003.

Author: woodwardmj

Initiating  
 Dept: Planning

Description: Appropriation of U.S. Department of Housing and Urban Development CDBG  
 Program Income and HOME Recaptured Funds Collected By the Municipality of  
 Anchorage From 1999-2003.

Keywords: appropriation, HOME, CDBG, Community Development Division, Program  
 Income

Date  
 Prepared: 2/13/03 4:47 PM

Director  
 Name: Michael Scott

## Workflow History

Workflow Name	Action Date	Action	User	Security Group	Content ID
FundsAppropWorkflow	2/13/03 4:50 PM	Checkin	woodwardmj	Public	000607
Planning_SubWorkflow	2/14/03 11:48 AM	Approve	fisonsr	Public	000607
PDPW_SubWorkflow	2/14/03 3:23 PM	Approve	holtanhc	Public	000607
OMB_SubWorkflow	2/18/03 3:19 PM	Approve	leblancdc	Public	000607
FundsAppropWorkflow	2/19/03 11:21 AM	Reject	giardkh	Public	000607
FundsAppropWorkflow	2/19/03 1:03 PM	Checkin	woodwardmj	Public	000607
Planning_SubWorkflow	2/19/03 3:11 PM	Approve	fisonsr	Public	000607
PDPW_SubWorkflow	2/20/03 1:17 PM	Approve	scottmj	Public	000607
OMB_SubWorkflow	2/20/03 3:07 PM	Approve	gunnnd	Public	000607
FundsAppropWorkflow	2/21/03 11:25 AM	Reject	giardkh	Public	000607
FundsAppropWorkflow	2/24/03 7:34 AM	Checkin	woodwardmj	Public	000607
Planning_SubWorkflow	2/24/03 10:47 AM	Approve	fisonsr	Public	000607
PDPW_SubWorkflow	2/24/03 12:07 PM	Approve	scottmj	Public	000607
OMB_SubWorkflow	2/24/03 1:05 PM	Approve	gunnnd	Public	000607
Finance_SubWorkflow	3/10/03 1:27 PM	Approve	giardkh	Public	000607
FundsAppropWorkflow	3/10/03 4:22 PM	Reject	kielinghj	Public	000607
FundsAppropWorkflow	3/24/03 4:20 PM	Checkin	woodwardmj	Public	000607
Planning_SubWorkflow	3/25/03 11:14 AM	Approve	fisonsr	Public	000607
PDPW_SubWorkflow	3/26/03 12:02 PM	Approve	scottmj	Public	000607
FundsAppropWorkflow	3/26/03 2:37 PM	Reject	leblancdc	Public	000607
FundsAppropWorkflow	3/27/03 3:13 PM	Checkin	woodwardmj	Public	000607
Planning_SubWorkflow	3/27/03 6:40 PM	Approve	fisonsr	Public	000607

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 2003 APR - 7 AM 9:40  
 M.O.A

PDPW_SubWorkflow	3/28/03 3:49 PM	Approve	scottmj	Public	000607
OMB_SubWorkflow	3/31/03 1:09 PM	Approve	leblancdc	Public	000607
Finance_SubWorkflow	4/2/03 12:00 PM	Approve	giardkh	Public	000607
MuniManager_SubWorkflow	4/4/03 2:03 PM	Approve	kielinghj	Public	000607
MuniMgrCoord_SubWorkflow	4/4/03 2:40 PM	Approve	bealejl	Public	000607

## INTRODUCTION