

CC FILE NO. 130955
**An ordinance relating to the expenditure authority of the
department of city development.**

A response to the DOA-Budget and Management Division's "Reply to Common Council File No. 130995"

- *There is no "clear rationale for imposing this restriction."* The rationale for imposing the expenditure restriction in the proposed ordinance is as follows:

Common Council File No. 130736, passed November 1, 2013, provides that total expenditures from the Housing Infrastructure Preservation Fund for a single property shall not exceed \$100,000 unless approved by the Special Joint Committee on the Redevelopment of Abandoned and Foreclosed Homes and by the Common Council. (Note: As originally proposed by the Budget Office and DCD, the expenditure threshold was \$50,000.) At the committee hearing on File 130736, the Commissioner of City Development stated that a \$50,000 threshold is needed because he feels uncomfortable unilaterally authorizing large expenditures. He also stated that the Common Council already approves all expenditures over \$50,000. In any case, the rationale for File 130955 is that it is the logical consequence of File 130736: if the Commissioner of City Development does not feel comfortable unilaterally authorizing large expenditures from the Housing Infrastructure Preservation Fund, he should also welcome Common Council review and approval of all other large DCD expenditures.

- *"It is unclear whether this ordinance is compatible with the two aforementioned Charter provisions."* The City Attorney's Office has informally opined (email) that the proposed ordinance would be legal and enforceable.
- *It is unclear whether this ordinance would apply to DCD-disbursed grant funds (e.g., CDBG and HOME dollars).* Should File No. 130955 be amended to exclude these disbursements?
- *TID project plans and expenditures are already subject to distinct Common Council approval actions and serve as the basis for contractual obligations.* Correct. However, the Common Council only has an opportunity to approve a TID's entire expenditure plan as a package (unless the original project plan is amended). Phased expenditures (such as the expenditures for public improvements in The Brewery TID) do not come to the Common Council for review and approval.
- *Expenditures from DCD's Development Fund, Façade Program, Brownfield Program and Neighborhood Commercial District Street Improvement Fund capital account are routinely made subject to Common Council approval.* This is true, but the expenditures are often non-specific. For example, CC File No. 111293 transferred \$200,000 from the Development Fund and \$500,000 from the Brownfield Fund for environmental testing and remediation of citywide, downtown and neighborhood brownfield properties – specific properties and specific amounts to be expended per property were not approved by the Common Council. File 101295 approved a similarly general transfer of \$500,000 from the Development Fund to the Citywide Façade Grant Program, but did not authorize specific expenditure amounts

for specific properties. Also, the Common Council periodically adopts general resolutions authorizing transfer or expenditure of funds from the Façade Program to the Citywide Façade Grant Program and Retail Investment Fund Program; these resolutions do not provide specific expenditure amounts for specific properties/projects (see File Nos. 130370 and 130864, for example).

- *It appears that the proposed ordinance would primarily affect DCD's operating expenditures and special funds, which total \$263,950 in the 2014 Adopted Budget. Adding all non-TID capital expenditures authorized in the 2014 Adopted Budget brings the total amount of spending that could be subject to the proposed ordinance to \$3,950,000.*