



Department of Administration
Community Block Grant Administration

John O. Norquist
Mayor

David R. Riemer
Director

Juanita Hawkins
Administration—Block Grant Director

TO: Members of the Community Development Committee

FROM: Juanita Hawkins *Juanita Hawkins*
Director

DATE: October 2, 2001

RE: Resolution # 010784 - Resolution relative to CDBG funding for reimbursement expenses in the amount of \$50,000 to the Northwest Side CDC

The Community Development Committee on June 6, 2001, considered the above subject matter and voted to place it on file. The substantive change between the current resolution # 010784 and the previous resolution # 010236 reflects a reduction in the funding request from \$67,000 to \$50,000.

To summarize the issue, the Northwest Side CDC applied for and was awarded CDBG funds to carry out HUD eligible economic development activities in program years 1999 and 2000. After a formal monitoring review, the Department of Housing and Urban Development ruled that due to lack of required documentation, some of the 2000 activities performed by Northwest Side CDC were ineligible as economic development activities and as such, not reimbursable under the federal regulations. CBGA disallowed cost in the amount of \$57,000.

The current resolution, # 010784 sponsored by Alderman Pratt, would allow for reimbursement expenses in the amount of \$50,000 to the Northwest Side CDC. To do so,

1. **The 2000 activity deemed ineligible by HUD as economic development activity must be reclassified as Public Service activity.**
2. **Disbursing funds from the Community Development Contingency account must meet the following conditions** under the CBGA Administrative Policies and Procedures.
 - a) The request is for a one-time only project, or
 - b) The request requires prompt action that cannot await a normal funding cycle; and

- c) The request has one or more of the following characteristics:
- 1) Meets an urgent community need;
 - 2) The request presents a unique opportunity to address some broad policy objectives of the Community Development program;
 - 3) The request provides an opportunity to leverage significant new resources for the City's neighborhood revitalization efforts.

Further, consideration must be given to:

- a) The legitimacy of the reason(s) an objective was not achieved during the program year;
- b) The extent to which the same or similar objectives are adequately funded in the new program year;
- c) The demonstrated capacity of the project to complete all objectives within the new program year.

Attached is a copy of the information CBGA provided to the CD Committee June 6, 2001 regarding this issue.

Northwest Side Community Development Corporation (NWSCDC)
FACT SHEET

- ▶ In 1999, NWSCDC submitted an application for Economic Development, Business Assistance, in response to a publicly advertised Request for Proposal.
- ▶ The Economic Development, Business Assistance activity was funded in 1999 and extended in 2000.
- ▶ The CD-Policy Committee awarded funds in the amount of \$140,275 in 1999 and again in 2000 to provide Economic Development, Business Assistance to 30 businesses, annually.
- ▶ Reimbursement was under the Pay-for-Performance process.
- ▶ Certain 2000 activities performed by NWSCDC were ineligible as economic development activities under the HUD regulations. For reimbursement purposes, NWSCDC is requesting to retroactively reclassify its 2000-funded activity as Public Service activity. The unexpended 2000 balance was \$57,000.
- ▶ The CDBG Contingency Account would be reduced by \$57,000 should payment be authorized by the CD Policy Committee. The 15% Public Service Cap would not be affected.
- ▶ Additional Economic Development projects and dollar amounts that may fall under the NWSCDC payment scenario, by retroactively moving 2000 funded Economic Development activity into the Public Service category:

<u>Organizations</u>	<u>Year 2000 Unexpended Funds under Economic Development Pay-for-Performance (Over \$1,000)</u>
1) Community Enterprises of Greater Milwaukee	\$21,120.52
2) Martin Luther King Economic Development Corporation	\$35,057.00
3) Mid-Town Neighborhood Association	\$ 1,372.00
4) Milwaukee Urban League	\$61,949.67
5) Sherman Park Community Association	\$ 9,574.71
6) Walker's Point Development	\$23,993.87
7) YMCA -North Central Branch	\$21,937.00
8) YMCA-Holton Street	\$41,035.79
TOTAL	\$216,040.56



Department of Administration
Community Block Grant Administration

John O. Norquist
Mayor

David R. Riemer
Director

Juanita Hawkins
Administration—Block Grant Director

TO: Members of the Community Development Committee

FROM: Juanita Hawkins *Juanita Hawkins*
Director

DATE: June 5, 2001

RE: Policy Committee Agenda Item 010236
Resolution appropriating \$67,000 from the Community Development Block Grant
Contingency Account for public service activities.

Alderman Michael Murphy asked certain questions regarding file number 010236 appropriating \$67,000 from the Community Development Block Grant Contingent Fund to the Northwest Side Community Development Corporation. The questions were:

1. Is there a written policy for awarding funds from the Contingency Account and what are the criteria?
2. What has been the performance rating for NWSCDC for the past two years?
3. Will the appropriation exceed the Public Service Cap of 15%?

I am providing you with the same information I provided to Alderman Murphy.

Please feel free to call me if you have any questions.

Administrative Policies and Procedures for the City of
Milwaukee Community Development Contracts
Excerpts

All budget balances remaining sixty days after the end of the contract term shall revert to the CDBG Contingency Account.

Fiscal Year Close Out. Costs submitted to the City for reimbursement after the close out date of the close of the fiscal year, CBGA is authorized to charge the amount in question to the project's current year contract, unless the cost reimbursement was delayed through some fault of the City, in which case the reimbursement shall be taken from the Contingency fund.

Examples of uncompleted objectives eligible to be extended would be determined on a case-by-case basis, giving consideration to:

1. The legitimacy of the reason(s) an objective was not achieved during the program year;
2. The extent to which the same or similar objectives are adequately funded in the new program year;
3. The demonstrated capacity of the project to complete all objectives within the new program year; and,
4. The extent to which not allowing the extension for completion of a previously approved objective would diminish or jeopardize the effectiveness of other community development activity already completed.

Under the following circumstances, the Policy Committee may disburse unallocated funds provided the following conditions exist:

1. The request is for a one-time only project.
2. The request requires prompt action that cannot await a normal funding cycle.
3. The request has one or more of the following characteristics:
 - a) Meets an urgent community need;
 - b) Presents a unique opportunity to address some broad policy objectives of the City's community Development program;
 - c) Provides an opportunity to leverage significant new resources for the City's neighborhood revitalization efforts.

Contract for Services-Subrecipient and Vendor - The CITY agrees that, subsequent to full and complete performance of (the)Contract and satisfactory performance of the services in accordance with the "work schedules" set forth (and referenced in the contract), to pay the amount as hereinafter set forth. In the event of a dispute as to the services performed or in the compensation to be paid, the decision of the Community Block Grant Administration or its designee shall prevail.

Complaints. The Director of the Community Block Grant Administration has the authority to hear appeals to all complaints involving administrative policies and procedures of all grant-funded programs administered by CBGA. Exceptions to administrative policies and procedures shall be granted only when in the opinion of the Director of the Community Block Grant Administration, extenuating circumstances prevented a project, an individual funded with grant funds, or a citizen from reasonably complying with the letter and intent of the Administrative Policies and Procedures.

NORTHWEST SIDE COMMUNITY DEVELOPMENT CORPORATION

2000 goals and outcomes:

Area 2

\$120,000 award

Assist 9 new businesses with start-up and/or expansions / 5 completed

Create 50 full time jobs / 24 completed

Administrative funds expended \$ 0 (per request from NWSCDC)

Pay for performance expenditure \$63,000

Unexpended funds returned to Contingency Account \$57,000

Area 8

\$20,275 award

Assist new business with start-up and/or expansion

Create 7 full time jobs / 0 completed

Administrative funds expended \$

Pay for performance expenditure \$ 0 (per request from NWSCDC)

Unexpended funds returned to Contingency Account \$ 20,275

1999 goals and outcomes:

Area 2

\$120,000 award

Assist 30 new businesses (per year) with start-up and/or expansion / 10 completed

Create 40 full time jobs / 30 completed

Administrative funds expended \$59,146

Pay for performance expenditure \$24,000

Unexpended funds returned to Contingency Account \$36,754

Area 8

\$ 20,275 award

Assist new business with start up and expansion

Create 7 full time jobs/ 3 completed

Administrative funds expended \$10,138

Pay for performance expenditure \$ 3,000

Unexpended funds returned to Contingency Account \$ 7,138



**City of Milwaukee
Signature Report
Resolution**

INTRODUCED: 5/30/2001

FILE NO: 010236

ASSIGNED TO: COMMUNITY DEVELOPMENT COMMITTEE

SPONSORS: ALD. RICHARDS

Title

Resolution appropriating \$67,000 from the Community Development Block Grant Contingent Fund for public service activities.

COUNTERSIGNED ON: _____

COMPTROLLER

COMMON COUNCIL PRESIDENT

ATTESTED AND SUBMITTED TO
HIS HONOR, THE MAYOR, ON: _____

APPROVED ON: _____

BY:

CITY CLERK

MAYOR

..Number

..Version
ORIGINAL

..Reference

..Sponsor
ALD. RICHARDS

..Title

Resolution appropriating \$67,000 from the Community Development Block Grant Contingent Fund for public service activities.

..Analysis

This resolution appropriates \$67,000 from the Community Development Block Grant Contingent Fund for public service activities to the Northwest Side Community Development Corporation.

..Body

Resolved, By the Common Council of the City of Milwaukee, that \$67,000 is appropriated from the Community Development Block Grant Fund for public service activities to the Northwest Side Community Development Corporation; and, be it

Further Resolved, That the Community Development Block Grant Administration is responsible for subrecipient contracts for these activities; and, be it

Further Resolved, That the project subrecipient shall submit budget and activity reports according to conditions approved by the Common Council and the Mayor in conformance with File Number 74-92-5v to the Community Block Grant Administration and the City Comptroller for review and approval; and, be it

Further Resolved, That payments for CDBG costs incurred shall be paid in accordance with approved CDBG reimbursements policy based on the approval by the Community Block Grant Administration and City Comptroller of a Budget Forecast (CDA-51).

..Requestor

..Drafter
LRB01236-1
BJZ/cac
5/31/2001



City of Milwaukee Meeting Minutes

200 E. Wells Street
Milwaukee, Wisconsin
53202

cc: J.H.
Darle
Diana
File

COMMUNITY DEVELOPMENT COMMITTEE

ALD. DONALD F. RICHARDS, CHAIR
Ald. Angel Sanchez, Vice-Chair

*Ald. Marlene E. Johnson-Odom, Ald. Paul A. Henningsen, Ald. Michael J. Murphy,
Ald. Willie F. Hines, Ald. Rosa N. Cameron, Ald. Marvin E. Pratt (alternate member)*

Staff Assistant, Robert Harvey, 286-2233
Fax: (414) 286-3456 E-mail: rharve@ci.mil.wi.us

2001 JUN 12 PM 3:10
CBGA

Wednesday, June 6, 2001

1:30 PM

Room 301-B, City Hall

Members Present: ALD. PRATT, ALD. RICHARDS, ALD. SANCHEZ, ALD. HENNINGSEN, ALD. MURPHY, ALD. HINES and ALD. CAMERON

Members Excused: ALD. JOHNSON-ODOM

Ald. Pratt Alternate for Ald. Johnson-Odom

1:30 P.M.; Meeting convened: 1:43 P.M.

1) 010236

Resolution appropriating \$67,000 from the Community Development Block Grant Contingent Fund for public service activities.

A motion was made that this matter be HELD TO CALL OF THE CHAIR. The motion failed by the following vote:

Ayes: 1 - ALD. HENNINGSEN

Noes: 6 - ALD. PRATT, ALD. RICHARDS, ALD. SANCHEZ, ALD. MURPHY, ALD. HINES and ALD. CAMERON

Excused: 1 - ALD. JOHNSON-ODOM

010236

Resolution appropriating \$67,000 from the Community Development Block Grant Contingent Fund for public service activities.

A motion was made by Ald. Pratt that this matter be RECOMMENDED FOR PLACING ON FILE. The motion carried by the following vote:

Ayes: 5 - ALD. PRATT, ALD. SANCHEZ, ALD. MURPHY, ALD. HINES and ALD. CAMERON

Noes: 2 - ALD. RICHARDS and ALD. HENNINGSEN

Excused: 1 - ALD. JOHNSON-ODOM

2) 010069

Communication transmitting a report relative to City of Milwaukee Community Development Block Grant Contingency Account.