

LRB-FISCAL REVIEW SECTION ANALYSIS

APRIL 2, 2001 AGENDA

ITEM 3, FILE 001682

JUDICIARY & LEGISLATION COMMITTEE

JAMES CARROLL

File #001682 is a resolution authorizing cancellation of the City's claim against Westside Conservation Corporation and North Division Neighborhood Association in the amounts of \$34,135.35 and \$8,145.43.

Background and Discussion

1. In order to provide working capital to community based organizations, the City's Community Development Block Grant Program (CDBG) provides cash advances. Without the cash advances, most of these organizations would not be able to exist. Currently, there are approximately 50 organizations that have received about \$1 million in cash advances.
2. If a community based organization ceases to exist and the City cannot recover the cash advance, the Department of Housing and Urban Development (HUD) requires the City to use its own funds to reimburse the CDBG account that was used to provide the cash advance.
3. The North Division Neighborhood Association stopped operating about 8 years ago and has an outstanding cash advance of \$8,145.43. The Westside Conservation Corporation ceased operations about 4 years ago and had an outstanding cash advance of \$83,315. The City was able to recover \$49,179.65 from the West Conservation Corporation after it stopped operating, leaving an outstanding balance of \$34,135.35.

Fiscal Impact

The resolution authorizes the expenditure of \$42,280.96 from the Common Council's Contingent Fund for the purposes of writing off the West Side Conservation Corporation and the North Division Neighborhood Association's cash advances. As of March 9, 2001 the Common Council Contingent Fund's balance was \$4,892,630.

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LRB-Fiscal Review
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