



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: September 26, 2001

RE: Resolution # 010776 - Department of Public Works - Change in Activity and Distribution of Funds for 2000, 2001, and 2002

The Community Development Committee, for program year 2001 and 2002, awarded \$500,000 and \$517,000, respectively to finance Street Paving projects in the CDBG Target Area.

Because the DPW Street Paving program imposed special assessments on persons of low and moderate income with respect to projects financed in part with Community Development Block Grant (CDBG) funds, the City Attorney has rendered an opinion that special assessments may be imposed to recover CDBG funds *only* against properties owned and occupied by persons not of low and moderate income. In other words, the opinion stated, special assessments may not be imposed on low and moderate income persons. (Opinion attached).

DPW has since revised the list of 2000 and 2001 non-assessable overlay and sealing projects that qualify for CDBG funds. According to DPW, these projects total \$290,666 and \$315,318 in 2001.

The Department of Public Works is requesting Committee (and Common Council) approval to change activity and distribution of CDBG funds in the following manner.

1. Allocate the balance of CDBG funds in 2000 and 2001 for street lighting projects in the CDBG area.
 - a) Year 2001 balance - \$209,334 (\$500,000 minus \$290,666 = \$209,334).
 - b) Year 2002 balance - \$184,682 (\$500,000 minus \$315,318 = \$184,682).
2. Allocate 2002 grant funds totaling \$500,000 as follows:
 - a) \$350,000 - Recreational Facilities
 - b) \$150,000 - Overlay and Sealing projects in the Street Reconstruction Resurfacing program for non-assessable paving projects.

I have attached background letters for your review.



C B G A

2001 SEP 24 AM 9:04

Department of Public Works

Mariano A. Schifalacqua
Commissioner of Public Works
James P. Purko
Deputy Commissioner of Public Works

September 21, 2001

Ms. Juanita Hawkins, Director
Community Development Block Grant Administration
City Hall, Room 606

Dear Ms. Hawkins,

The Department of Public Works is in receipt of your letter dated September 18, 2001. Per your request, we are enclosing a list of recreational projects scheduled for 2002 that qualify for CDBG funding. These projects total \$350,000. Regarding the sealing and overlay projects, the Infrastructure Services Division typically chooses these projects in November along with alley and street reconstruction projects. Although these projects have not yet been determined, we are confident that there will be projects totaling \$150,000 in the CDBG area based on annual sealing and overlay activities. We will try to provide you with a preliminary list of projects with the caveat that they may change prior to the October 9th Community Development Committee meeting.

If you have any questions, please call Dorinda Floyd at extension 5582. We appreciate your assistance in this matter.

Very truly yours,

Mariano A. Schifalacqua
Commissioner of Public Works

LDH

Attachment

cc: Dorinda Floyd
LaQuisha Harrell
Clark Wantach
Bernie Mielcarek
Jerome Zaremba
Laura Engan

**BUILDINGS & FLEET DIVISION
RECREATIONAL FACILITIES
CAPITAL IMPROVEMENTS PROGRAM**

2002

<u>Ald. Dist.</u>	<u>Site</u>	<u>Proposed Development</u>	<u>Estimated Cost</u>	
			<u>City Wide</u>	<u>CDBG Area</u>
10	Columbia Playground	Playground Reconstruction (Phase II)		\$ 70,000
14	Ohio Playground	Children's Area Reconstruction (ADA)	\$ 70,000	
14	Lincoln Playfield	Tennis Court Reconstruction		160,000
16	Merrill Park	Wading Pool Filtration		45,000
17	Franklin Square	Children's Area Reconstruction (ADA)		75,000
	Various Playfields	Ball Dia. Restoration	25,000	
	Various Totlots		20,000	
	Engineering & Administration		35,000	
			\$ 150,000	\$ 350,000
Total 2002 Program:			\$	500,000

The Buildings & Fleet Division operates & maintains the City's 45 neighborhood children's play areas and 10 neighborhood parks with a total area of 69 acres.

The Buildings & Fleet Division also maintains the City's 27 playfields & 11 neighborhood playgrounds with a total area of 327 acres.



TILES: DPW-Site CC: J.H.
impr. Conting. H.W.
(2001) N.R.
CBGA + DPW Street
2001 SEP 13 PM 4:25 Impr. (2002)

Department of Public Works

Mariano A. Schifalacqua
Commissioner of Public Works

James P. Purko
Deputy Commissioner of Public Works

September 11, 2001

Ms. Juanita Hawkins, Director
Community Block Grant Administration
City Hall, Room 606

Dear Ms. Hawkins:

The purpose of this letter is to seek your assistance in making appropriate changes in the utilization of Community Development Block Grant (CDBG) funds for the Department of Public Works capital projects. As you know the 2000 and 2001 City Budgets provided \$500,000 and \$517,000, respectively, in CDBG funds to finance street paving projects in the Street Reconstruction/Resurfacing Capital Account. Based upon the City Attorney's opinion in a letter dated July 20, 2001 regarding the imposition of special assessments for CDBG-funded projects, the Department of Public Works (DPW) would like to revise the list of paving projects that qualify for CDBG funds. In addition, the department is requesting that CDBG funds be utilized for other capital projects.

Attached is a list of 2000 and 2001 non-assessable overlay and sealing projects that qualify for CDBG funding. These projects total \$290,666 in 2000 and \$315,318 in 2001. In order to utilize CDBG funding for these projects, we are requesting that you provide project/grant numbers for these funds. It is important to note that these projects have already been awarded and in some cases have been completed. The Department will work with the Comptroller's Office to make the appropriate accounting changes.

In addition, the Department is proposing to use the balance of CDBG funds in 2000 and 2001 for street lighting projects in the CDBG area. However, we need approval to utilize these funds for this purpose. We are also seeking your assistance in this matter.

The Community Development Block Grant Committee approved the utilization of 2002 grant funds totaling \$500,000 for the Street Reconstruction/Resurfacing Capital Account. However, the department is requesting that \$350,000 in CDBG funds be allocated to the Recreational Facilities Capital Account. CDBG funds were utilized in 2001 for this purpose. The remaining \$150,000 in 2002 CDBG funds would be allocated for overlay and sealing projects in the Street Reconstruction/Resurfacing Capital Account.



Ms. Juanita Hawkins
September 11, 2001
Page 2

We are seeking your assistance to make the appropriate changes in the utilization of CDBG funds for DPW capital projects. If you have any questions, please call Dorinda Floyd at extension 5582.

Very truly yours,



Jeffrey S. Polenske, P.E.
City Engineer

Mariano A. Schifalacqua
Commissioner of Public Works

DRF

Attachment

c: Dorinda Floyd
LaQuisha Harrell
Clark Wantoch
Jerome Zaremba
Mary Dziewiontkoski
Laura Engan

2000 projects that are non-assessable

	Area #	Treatment	CDBG Cost
N. 1st St. - W. Concordia Av. to W. Burleigh St.	6	Sealing	\$ 3,562
N. 2nd St. - W. Keefe Av. to W. Burleigh St.	6	Sealing	\$ 5,049
N. 6th St. - W. Keefe Av. to W. Burleigh St.	6	Sealing	\$ 7,694
N. 9th St. - N. Dr. Martin Luther King Jr. Dr. to Pt. S. of W. Abert Pl.	4	Overlay	\$ 40,234
N. 25th St. - W. North Av. to W. Meinecke Av.	9	Concrete	\$ 110,000
N. 50th St. - W. Vliet St. to W. Washington Bd.	5	Sealing	\$ 2,751
N. 56th St. - W. North Av. to W. Lisbon Av.	5	Sealing	\$ 4,568
N. 57th St. - W. Lisbon Av. to W. North Av.	5	Sealing	\$ 5,216
N. 57th St. - W. North Av. to W. Lloyd St.	5	Sealing	\$ 2,373
N. 58th St. - W. North Av. to W. Clarke St.	5	Sealing	\$ 5,211
N. 59th St. - W. Lisbon Av. to W. North Av.	5	Sealing	\$ 6,498
N. Bremen St. - E. Center St. to E. Burleigh St.	7	Sealing	\$ 7,376
E. Concordia Av. - N. Humboldt Bd. To N. Pierce St.	7	Sealing	\$ 3,192
W. Meinecke Av. - N. 55th St. to N. 60th St.	5	Sealing	\$ 3,103
N. Palmer St. - E. Burleigh St. to E. Ring St.	6	Sealing	\$ 2,106
W. St. Paul Av. - N. 13th St. to N. 25th St.	14	Overlay	\$ 58,466
W. Tory Hill - N. 10th St. to N. 13th St.	14	Overlay	\$ 21,849
N. Weil St. - E. Burleigh St. to E. Auer Av.	7	Sealing	\$ 1,419
Total			\$ 290,666

2001 Proposed CDBG Projects that are non-assessable

Location	Area #	Treatment	CDBG cost
S. 4th St. - W. Lapham St. to W. Polcyn St.	16	Overlay	\$ 21,520
N. 6th St. at W. Galena St.	13	Median Revision	\$ 80,000
N. 7th St. - W. Burleigh St. to W. Keefe Av.	6	Overlay	\$ 27,243
N. 29th St. - W. Mt. Vernon Av. To W. Clybourn St.	14	Sealing	\$ 1,754
N. 30th St. - W. Park Hill Av. To W. St. Paul Av.	14	Sealing	\$ 1,308
N. 31st St. - W. Park Hill Av. To W. St. Paul Av.	14	Sealing	\$ 1,415
N. 32nd St. - W. Park Hill Av. To W. Mt. Vernon Av.	14	Sealing	\$ 877
N. 33rd St. - W. Park Hill Av. To W. Michigan Av.	14	Sealing	\$ 3,230
N. 34th St. - W. Park Hill Av. To W. Michigan Av.	14	Sealing	\$ 3,230
N. 36th St. - W. Park Hill Av. To W. St. Paul Av.	14	Sealing	\$ 1,388
N. 36th St. - W. Center St. to W. Burleigh St.	5	Sealing	\$ 4,572
N. 37th St. - W. Park Hill Av. To W. Mt. Vernon Av.	14	Sealing	\$ 1,199
N. 37th St. - W. Locust St. to W. Burleigh St.	5	Sealing	\$ 2,211
N. 38th St. - W. Mt. Vernon St. to W. St. Paul Av.	14	Sealing	\$ 468
N. 38th St. - W. Center St. to W. Burleigh St.	5	Sealing	\$ 4,629
N. 39th St. - W. Mt. Vernon St. to W. St. Paul Av.	14	Sealing	\$ 1,026
N. 39th St. - W. Chambers St. to W. Burleigh St.	5	Sealing	\$ 1,114
N. 39th St. - W. Hadley St. to W. Locust St.	5	Sealing	\$ 1,112
N. 41st St.- W. Locust St. to W. Burleigh St.	5	Sealing	\$ 2,211
N. 50th St. - W. North Av. to W. Lisbon Av.	5	Concrete	\$ 51,000
W. Becher at the Kinnickinnic River	16/17	Concrete	\$ 41,500
N. Grant Bd. - W. Meinecke Av. To W. Locust St.	5	Sealing	\$ 9,888
W. Greenfield Av. - S. 3rd St. to S. 4th St.	16	Overlay	\$ 3,860
W. Hadley St. - N. 35th St. to N. Sherman Bd.	5	Sealing	\$ 5,667
W. Michigan Av. - N. 36th St. to N. 39th St.	14	Sealing	\$ 4,023
W. Mt. Vernon St. - N. 29th St. to N. 39th St.	14	Sealing	\$ 8,094
S. Polcyn St. - S. 4th St. to a Point North of W. Scott St.	16	Overlay	\$ 10,130
W. St. Paul Av. - N. 35th St. to N. 39th St.	14	Overlay	\$ 20,650
Total			\$ 315,318

title: City Attorney's Off.
CITY OF MILWAUKEE

GRANT F. LANGLEY
City Attorney

RUDOLPH M. KONRAD
Deputy City Attorney

THOMAS E. HAYES
PATRICK B. McDONNELL
CHARLES R. THEIS
Special Deputy City Attorneys



CBGA

2001 JUL 25 PM 12:15

cc: J.H., H.W.,
Dareney,
TD

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Assistant City Attorneys

July 20, 2001

Juanita Hawkins
Director
Community Development Block Grant Administration
200 East Wells Street
Room 606
Milwaukee, Wisconsin 53202

**Re: Special Assessments for 2001 Paving Projects (\$100,000);
Rescission of Large Impact Development Project Award**

Dear Ms. Hawkins,

By correspondence dated June 19, 2001, you requested our advice concerning two issues. First, you ask whether the City of Milwaukee may impose special assessments on persons of low and moderate income with respect to street paving projects that were financed in part with Community Development Block Grant (CDBG) funds. Second, you ask whether the Community Development Committee may rescind an award of CDBG funds for a Large Impact Development (LID) project when the entity to whom the award was made has failed to meet the conditions of the LID project policy adopted by the Common Council.

I. Special Assessments

The federal regulations governing CDBG funds provide specific guidance on the imposition of special assessments for CDBG-funded projects. The ability to impose special assessments depends on whether the assessment relates to the portion of the project costs that were paid with CDBG funds.

24 CFR §570.200(c)(i) provides that when CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed to recover the CDBG funds *only* against properties owned and occupied by persons not of low and moderate income. In other words, special assessments may not be imposed on low and moderate income persons. When collected, these special assessments become program income.

24 C.F.R. §570.200(c)(ii) provides that special assessments to recover the non-CDBG portion of the project may be made; however, CDBG funds must be used to pay the special assessments on behalf of all properties owned and occupied by low and moderate income persons. There is one exception to this requirement: CDBG funds are not required to be used to pay special assessment on behalf of properties owned and occupied by moderate income persons if the City certifies that it does not have sufficient CDBG funds to pay the assessments on behalf of all low and moderate income owner-occupants. Under these circumstances, special assessments may be imposed on moderate-income persons, but not upon low-income persons. Funds collected through these special assessments are not program income.

You did not inquire as to compliance with the national objectives of the CDBG program in connection with this project. We note that 24 §570.208(a)(1)(iv) restricts the ability to use CDBG funds for public improvements when the national objective is "area benefit" activity. However, no such restrictions apply under 24 C.F.R. § 570.208(b) and (c) when the national objective is either the prevention or elimination of slums and blight, or activities designed to meet community development needs having a particular urgency.

We also note that pursuant to HUD regulation 24 C.F.R. §570.201(c), CDBG funds may be used for the "acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements," except as provided in §57.207(a) (which prohibits the use of CDBG funds for buildings or portions thereof used for the general conduct of government, general government expenses, political activities, the purchase of certain equipment, fire protection equipment, and operating and maintenance expenses). Any paving projects financed with CDBG funds must be for the purpose of street improvements, and not for the purpose of ordinary operation and maintenance expenses.

Examples of ineligible operation and maintenance expenses are provided in 24 C.F.R. §570.207(b)(2). Such ineligible expenses include: maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking and other public facilities. Ineligible maintenance and repair activities also include the filling of pot holes in streets, repairing cracks in sidewalks, the mowing of recreational areas, the replacement of expended street light bulbs. Salaries for staff, utilities costs and similar expenses necessary for the operation of public works and facilities are also ineligible operation and maintenance costs.

July 20, 2001

If the proposed paving projects involve maintenance and repair rather than the construction of new street improvements, we recommend that you confirm with HUD that such an expenditure will meet the requirements of the regulations governing eligible CDBG activities.


II. LID Project Policy

You advise that the LID Project Policy (copy attached) was approved by the Common Council in File No. 00457. The policy states that upon funding by the Common Council, CBGA will provide a letter of intent to any grant recipient which does not have matching funds at the time the award is made. The letter of intent will remain open for six months and 10 days from the date of Common Council approval. If the matching funds are not obtained in six months, the Community Development Committee of the Common Council may grant an extension of time.

You advise that an award of LID funds has expired under this policy due to the failure of the recipient to provide matching funds within the time required. The Community Development Committee may (but is not required to) grant an extension of time. If no extension is granted by the Committee, the LID award will expire.

Please call Ellen Tangen at 286-8411 with any further questions on these matters.

Very truly yours,



GRANT F. LANGLEY
City Attorney



Ellen H. Tangen
Assistant City Attorney

Enclosure

Cc: Alderman Donald Richards
Anita Paretto
Laura Engan

EHT:eht
1052-2001-1907