



Request for City Council Committee Action from the Department of Regulatory Services

Date: January 22, 2007

To: Council Member Don Samuels, Chair Public Safety & Regulatory Services
Committee with Referral to Council Member Paul Ostrow, Ways & Means Budget Committee

Subject: **Cancel CDBG Loan for Demolition of 249 (Vacant & Boarded)
Properties**

Recommendation:

1) Allocate \$300,000 of CDBG Program Income earned from CPED Residential Loan programs (Reporting Category RLPI) back to the Department of Community Planning & Economic Development from the Department of Regulatory Services

2) Transfer \$125,000 of 2006 CDBG budget authority back to the CPED Vacant & Boarded Housing program from the Department of Regulatory Services

3) Cancel direction to City Finance staff to reimburse the Community Planning & Economic Development agency with proceeds from assessments paid for the properties demolished with the \$425,000 the Community Planning & Economic Development agency is making available to the Department of Regulatory Services to fund demolition of Chapter 249 (Vacant & Boarded) properties within the City of Minneapolis.

4) Amend the 2006 General Appropriation Resolution by a) increasing the Community Planning & Economic Development agency appropriation in Fund 400-CDBG and UDAG by \$125,000 (0400-890-8952) and decreasing the 2006 Revenue Budget for the Community Planning & Economic Development agency by \$425,000 (0400-890-8952, Revenue Source 3455); and b) decreasing the Department of Regulatory Services appropriation in Fund 400-CDBG and UDAG (0400-835-8560) by \$425,000.

Previous Directives: Council action of June 30, 2006 authorized a CDBG/UDAG loan from the Department of Community Planning & Economic Development to the Department of Regulatory Services for \$425,000 to be repaid from future special assessments.

Prepared by: Lee Larson, Manager of Operations Support, Regulatory Services

Approved by:

Rocco Forte, Director of Regulatory Services & Emergency Preparedness

Presenters in Committee: Henry Reimer, Director of Inspections

Reviews

- Permanent Review Committee (PRC): Approval _N/A_ Date _____
- Policy Review Group (PRG): Approval _N/A_ Date _____

Financial Impact

- No financial impact
- Action requires an appropriation increase to the ___ Capital Budget or _X_ Operating Budget
- X Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- Action requires a change to the Business Plan
- Other financial impact
- X Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

Supporting Information

The CDBG loan was not needed as sufficient funds were available in the General Fund budget of Regulatory Services. Although the loan was approved in June 2006, various reviews by the City Finance Department resulted in the CDBG appropriation not being available until October. This meant that the CDBG expenses would miss the levy deadline and therefore no CDBG assessments would occur for 2007 revenues.

CPED and Finance staff have reviewed and approved this loan cancellation request.

Resolved by The City Council of The City of Minneapolis:

General Operating Resolution 2005R-655

That the above-entitled resolution, as amended, be further amended by:

1) Allocate \$300,000 of CDBG Program Income earned from CPED Residential Loan programs (Reporting Category RLPI) back to the Department of Community Planning & Economic Development from the Department of Regulatory Services

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