



# City of Harrisonburg, Virginia

## Office of the City Manager

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Kurt D. Hodgen  
City Manager

TO: Kurt Hodgen, City Manager  
FROM: Kristin McCombe, Grant Compliance Officer  
DATE: March 22, 2016  
RE: HUD FY-2014 CDBG Amendment

**Summary:** The required 30 day Public Comment Period concluded on March 14<sup>th</sup> at 9:00AM, and no comments were received. Staff recommends approval of the HUY FY-2014 amendment, which proposes that funds from the Mercy House Small Mercies Expansion Project be moved to the NEW Mercy House Family Shelter Appliances project

**Background:** In the 2014 CDBG Plan Year, Mercy House was awarded \$28,210.00 in CDBG funds to rehab and expand the space they use for their Little Mercies daycare area that serves families living in their shelter units. As we got into the planning phase of the project, we all determined that due to the many federal regulations that come along with CDBG funding, this project would not be a wise use of CDBG funds. Therefore, CDBG staff encouraged Mercy House to consider looking at alternative projects that would benefit those living in their housing units. The greatest need that they have at this time is to purchase new appliances for their units. Their current appliances are in poor condition and are also extremely energy inefficient. Mercy House has requested that \$14,106 of these funds be transferred to the Kitchen Appliance Upgrade Project, which will enable them to purchase 11 new refrigerators, 11 new ranges, and 11 microwave ovens. This project will be able to deliver a much bigger bang for their buck, and provide a healthier and more pleasant living environment for their residents. Mercy House has been very careful to comply with federal regulations during this process, and they also find it very important to use CDBG funds in the most cost-effective way in our community.

**Key Issues:** To complete this new appliances project, Mercy House is only in need of about half of the funds from the Small Mercies Expansion Project. The remaining \$14,104 will be available for another CDBG project.

**Environmental Impact:** An environmental review will be conducted in accordance with CDBG regulations. It is anticipated that the project will be exempt.

**Fiscal Impact:** CDBG funds operate outside of the City's general budget. The grant is a reimbursement grant, so funds must be expended from the City's accounts prior to reimbursement from HUD.

**Prior Actions:** 02/09/2016 - Public Hearing and start of 30 day public comment period

**Alternatives:** (a) Approve this amendment; or  
(b) Do not approve this amendment and consider other uses for this funding

**Community Engagement:**  
02/02/16 – Amendment advertised in the DNR  
02/09/16 – Public Hearing to collect input, and start of public comment period

**Recommendation:** Staff recommends that council approve this amendment

**Attachments:** None

**Review:**

*The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.*

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