



# 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: November 17, 2016  
RE: HUD FY-2014 and 2016 CDBG Amendment

**Summary:** The required 30 day Public Comment Period concludes on November 28th at 9:00AM, and one comment was received from Poti Giannakouros at the 10/25 Public Hearing. Staff recommends approval of the HUY FY-2014 amendment, which proposes that funds from the 2014 Mercy House Small Mercies Expansion Project be moved to the 2016 Fire Department AED 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, both CDBG and Mercy House staff 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. Earlier this year we moved \$14,106 of these funds to the Kitchen Appliance Upgrade Project. They have expressed gratitude for those funds and have chosen to return the balance of \$14,104 to the city's CDBG fund.

**Key Issues:** 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, both CDBG and Mercy House staff 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. Earlier this year we moved \$14,106 of these funds to the Kitchen Appliance Upgrade Project. They have expressed gratitude for those funds and have chosen to return the balance of \$14,104 to the city's CDBG fund.

**Environmental Impact:** The project is 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:** 10/25/16 - Public Hearing and start of 30 day public comment period

RE: HUD FY-2014 CDBG Amendment

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

**Community Engagement:**  
10/10/16 – Amendment advertised in the DNR  
10/25/16 – Public Hearing

**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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