


MEMORANDUM

March 9, 2010

TO: Board of Mayor and Alderman

FROM: Eric S. Stuckey, City Administrator   
Vernon Gerth, ACA-Community and Economic Development  
Clay Matthews, Housing Development Coordinator

SUBJECT: Resolution to designate \$19,131 in CDBG administrative fees from FY2008-09 to The Housing Reserve Fund.

**Purpose**

The purpose of this memorandum is to present to the Board of Mayor and Aldermen (BOMA) for consideration Resolution 2010-XX to designate \$19,131 in CDBG administrative fees to the City's Housing Reserve Fund.

**Background**

During each of the past three years, the City of Franklin has received on average \$273,000 in Community Development Block Grant Funds (CDBG) from the U. S. Department of Housing and Urban Development (HUD) to administer programs that assist lower income families.

In 2008, the BOMA established a voluntary round-up program and Housing Reserve Fund where donations are deposited and made available to entities building homes for qualifying low-income families. The Reserve Funds are used to off-set the cost of sanitary sewer and water connection fees. After 18 months, the Reserve Fund balance is approximately \$3,500 resulting from donations and the voluntary utility round-up program. The sanitary sewer and water connection fees for one, single-family dwelling can exceed \$6,660.

During each CDBG program year the Department of HUD allows up to 20% of CDBG funding to be expended on specified administration activities referred to as "Grantee Administration". Staff time dedicated to the administering the CDBG Program is an eligible activity and applicable reimbursable expense if funds remain available.

In FY2008-09, the City's second year in administering the CDBG program, the City has deposited \$19,131 into the General Fund for eligible administrative fees. This resolution re-directs these funds from the General Fund to the Housing Reserve Fund to support the building of affordable and workforce housing.

**Financial Impact**

By transferring, the \$19,131 in eligible CDBG administrative fees from the City's General Fund to the Housing Reserve Fund, the BOMA is further supporting entities who build affordable and workforce housing. The Housing Development Coordinator position is budgeted through the Building and Neighborhood Services Department.

**Recommendation**

Approval of the resolution designating \$19,131 be assigned to the City's Housing Reserve Fund.

**RESOLUTION 2010-XX**

**A RESOLUTION DESIGNATING \$19,131 IN FY2008-09 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE FEES TO THE THE HOUSING RESERVE FUND.**

**WHEREAS**, the Housing and Community Development Act of 1974, as amended, establishes a Community Development Block Grant (CDBG) program for the purpose of developing viable urban communities by providing decent housing, suitable living environments, and expand economic opportunities principally for persons of low and moderate income; and

**WHEREAS**, the City of Franklin in 2007 became an entitlement community eligible to receive Community Development Block Grant (CDBG) funds and recognizes the need for Affordable and Workforce Housing and the importance of creating housing choices for all its residents; and

**WHEREAS**, the City of Franklin in administering the CDBG program is allowed to apply up to twenty percent (20%) of the total grant funding toward specified "Grantee Administration" expenses;

**NOW, THEREFORE, BE IT RESOLVED**, in FY2008-09, the City of Franklin deposited, into the General Fund, \$19,131 in eligible CDBG administrative fees and the Board of Mayor and Alderman, in support of affordable and workforce housing, authorizes the transfer of these funds from the General Fund to the Housing Reserve Fund.

Approved this \_\_\_\_\_ day of April, 2010

**ATTEST:**

**CITY OF FRANKLIN, TENNESSEE**

**BY:** \_\_\_\_\_  
**ERIC S. STUCKEY**  
City Recorder/Administrator

**BY:** \_\_\_\_\_  
**JOHN C. SCHROER**  
Mayor