



Memo

City Manager's Office

TO: Mayor and City Council Members

FROM: Sheila Lundt

DATE: February 27, 2009

SUBJECT: ITEM NO. 6: American Recovery and Reinvestment Act of 2009

Staff received notice this week that \$2 billion will be allocated to grantees to carry out Neighborhood Stabilization Program activities. Eligible applicants are states, local governments, non-profit entities, and consortia of non-profit entities. Proposals must be such that the grantee would expend at least 50% of any award within two years and 100% of any award within three years of the date of the award. The proposals would go straight to the Federal Housing and Urban Development (HUD), and would not require prior review by the State of Iowa. Projects or activities selected for funding should be implemented quickly.

The process requires the submission of a substantial Action Plan amendment to HUD within the next 4-6 weeks. The public notification period is abbreviated. Priority will be given to projects that can award contracts within 120 days from the date funds are made available to grantees. Demolition activities are limited to 10%; it appears that construction or renovation is the primary purpose for the availability of these funds.

This is a unique opportunity to apply directly to HUD for funding which could assist in the completion of the purchase of the Human Service Campus site and needed modifications. **Staff is requesting permission from the Council to submit a proposal under this Reinvestment Act.**

c: Vanessa Baker-Latimer