



PLANNING AND DEVELOPMENT

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Memorandum

To: Community Development Committee

From: Caroline Gregerson

Date: 7/2/2019

File ID: 19-0975

Re: **Action on Substantial Amendment for \$600,000 of CDBG Funds:** \$300,000 from Rivoli Theater to Trane Park and \$300,000 from Small Business Development Loan Funds to Housing Revolving Loan Funds

Background: Our CDBG Program continues to be under immense pressure from HUD to be expending our funds in a timely manner. Any projects not moving forward or any revolving loan funds without pending projects must be re-allocated to other projects. This requires a substantial amendment to our annual 2019 action plan and a 15-day notice in the newspaper of the substantial amendment, allowing for public comment. At this time, we know that the Small Business Loan to Pearl Street Brewery is no longer moving forward and neither is the Rivoli Theater Project (the developers have backed out). Staff is working on supporting the building owner in supporting another developer to take over this Rivoli Theater project but it's very doubtful anything would come together yet this year.

Trane Park Project

The Trane Park project needs final gap financing to move forward and be able to complete the project as planned. Prior to this, CDBG had not funded this project because it did not meet one of our stated Consolidated plan goals of funding only park projects in our Neighborhood Revitalization Strategy Areas. However, this project- primarily benefiting children with disabilities and also being located in a LMI neighborhood- would qualify for HUD funding in terms of a national objective (presume benefit for people with disabilities and Low-Mod Area Benefit).

In light of changes at HUD and pressure to expend our dollars and given the magnitude and benefit this project would have for the community, I feel comfortable recommending expenditures of this project and it meets the spirit of our goals which is neighborhood revitalization. The Trane Park would be utilized by the Powell Poage Hamilton neighborhood which is in fairly close proximity to this park and is part of the NRSA.

Additionally, Jay Odegard has committed to being able to purchase equipment for this project this year and could commit to expenditures on these funds by December 31st. By using the funds to only purchase equipment and not cover installation, David Bacon wages would need not be applied on this project.

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All-Abilities Park Sources and Uses

Source	Amount	Uses	Amount
City Funds	\$ 1,900,000.00	Shelter/Community Center/Bathrooms (complete)	\$ 1,735,622.28
La Crosse County	\$ 350,000.00	Phase 2 (Priority Zones)	\$ 2,826,904.76
BNSF (Railroad?)	\$ 15,000.00		
Paul Urbanek	\$ 800.00		
La Crosse Autism Foundation Donations	\$ 524,127.04		
Pledges: Banks (Altra, Marine)	\$ 60,000.00		
Levendoski, Vinger, Cleary, Anonymoust	\$ 626,666.66		
Mayo Clinic Donation	\$ 150,000.00		
Gundersen Health System	\$ 100,000.00		
Down Syndrome Association	\$ 3,333.34		
In-Kind: First Supply, Fowler, Kish	\$ 132,600.00		
Chart TIF (not yet committed)	\$ 400,000.00		
CDBG (seeking approval)	\$ 300,000.00		
Total	\$ 4,562,527.04	Total	\$ 4,562,527.04

Housing Loan Funds

There is also a balance of funds remaining in the Small Business Development Loan pool with no pending loan applicants. Staff recommends moving \$300,000 out of the SBDL loan pool into the Housing Revolving Loan Pool- which then could be expended on more housing rehabilitation loans (currently a significant waiting list, demolition of replacement housing projects or a future multi-family, low-income housing project if that happens). Staff believes they can expend a significant amount of money in housing rehabilitation loans this year to meet the timeliness test. The result would be no funds available for Small Business Loan pool. If a future viable project came about in the future, Staff could work to make future CDBG funds available.

Staff Recommendation:

Publically notice this substantial amendment in the newspaper and allow for required public comment period. If there are no objections from the public, staff will substantially amend our 2019 Action Plan. If there are objections, staff will put this on the August agenda for a final motion and consideration.