

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 10 - 2021

FEBRUARY 3, 2021

AN ORDINANCE

An Ordinance providing for the expenditure of funds received by the City of Allentown on behalf of the Da Vinci Science Center from the U.S. Department of Housing and Urban Development in the amount of Five Million Six Hundred Five Thousand (\$5,605,000) Dollars.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That City Council authorizes an increase to the unappropriated balance of the 2021 Federal Grant Fund in the amount of Five Million Six Hundred Five Thousand (\$5,605,000) Dollars.

SECTION TWO: The City Council authorizes a supplemental appropriation from the unappropriated balance of the Federal Grant Fund as follows:

700-01-7705-0209-46	Other Contract Services	\$5,605,000
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SECTION THREE: That the Mayor is directed to establish and maintain any and all accounts and records as are necessary and to make such transfers as may be required to expend and account for said CDBG Funds in accordance with the approved Consolidated Plan, appropriate Federal law, and HUD regulations.

SECTION FOUR: That this act of the Council of the City of Allentown is undertaken pursuant to Act 292 of 1976 in accordance with the opinion of the Pennsylvania Attorney General (Opinion 72-76) which holds that CDBG Funds are General Municipal Funds for the purpose of Act 292 of 1976.

SECTION FIVE: That this Ordinance will take effect ten (10) days after final passage.

SECTION SIX: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

Department of Community and Economic Development

- **Summary and Facts of the Bill**

This is to acknowledge that the City of Allentown has filed an application for a HUD 108 Loan for the future development for the Da Vinci Science Center in the amount of \$5,605,000.00.

- **Purpose – Please include the following in your explanation:**
 - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
 - **What are the Benefits of doing this/Down-side of doing this**
 - **How does this Bill related to the City's Vision/Mission/Priorities**

The project is being undertaken by The Da Vinci Science Center, an established 501(c)(3) not-for-profit entity that has been delivering educational programs throughout the Lehigh Valley for more than 20 years. Funds are expected to flow from the City of Allentown to the Da Vinci Science Center. This is the same way in which all public and private funds are anticipated to flow to the project.

- **Financial Impact – Please include the following in your explanation:**
 - **Cost (Initial and ongoing)**
 - **Benefits (initial and ongoing)**

There is cost to the city. This is a loan to the Da Vinci Science Center in which they have submitted a plan of repayment

- **Funding Sources – Please include the following in your explanation:**
 - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

These funds will be held at HUD and will be drawn on a reimbursement basis. this program will work exactly like the CDBG, HOME and ESG programs

- **Priority status/Deadlines, if any**

- **Why should Council unanimously support this bill?**

Public Benefit Standards

The benefit standard for this project will be greatly exceeded as it is projected that the Science Center

will provide services to an estimated 150,000 or more persons of low or moderate income annually. The HUD standard for a Section 108 loan guarantee using this particular standard requires a minimum of one LMI person served per \$1,000 of the loan or 5,000 persons in the aggregate for a loan in the amount of \$5 million.