

SECTION FIVE: Pursuant to Section 218 of the Home Rule Charter and by the affirmative vote of six of seven council members, Council hereby eliminates the fourteen-day period between introduction and passage of this ordinance.

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

Department of Community and Economic Development Federal Grants Bureau. This transfer of funds is at the recommendation of the HUD monitor as noted during the 2023 Program Year review received in September of 2024.

- **Summary and facts of the bill.**

In the FY 2022-2023 and FY 2023-2024 HUD Grants budget, allocations were authorized by the previous CDBG HUD monitor to fund the city's SPARK program initiative. During the 2023 Program Year review, these expenses were deemed ineligible for HUD funding by the subsequent HUD monitor and the city is required to repay the HUD line of credit using non-federal funds. DCED has identified an available balance within their GF, Building Standards & Safety contract services budget due to fewer than anticipated emergency demolitions & building safety expenses. This bill moves the funds from the contract services expense account to a new interfund transfer expense account to allow for the transfer of funds from the DCED General Fund to the Federal Grants fund to cover these non-HUD eligible program costs.

- **Purpose – Please include the following in your explanation:**

- a. **What does the bill do? What are the specific goals or tasks the bill seeks to accomplish?**

Transfer of \$77,281.88 from the General Fund to the Federal Grants Fund to cover non-HUD eligible expenses.

- b. **What are the benefits of doing this? What are the drawbacks?**

This repayment to HUD is at the request of the HUD monitor. There have been fewer than expected building code emergencies to-date in 2024 which has allowed the DCED budget to absorb the cost.

- c. **How does this bill relate to the City's vision/mission/priorities?**

This funding supports the Business Expansion Attraction & Retention (B.E.A.R.) program's SPARK Technical Assistance initiative which provides training and individualized support to local entrepreneurs for small business development, growth and success.

- **Financial Impact – Please include the following in your explanation:**

- a. **Cost (initial and ongoing)**

The HUD grants budget from FY 2022-2023 included \$11,992.75 and FY 2023-2024 included \$65,289.13 in what was deemed ineligible expenses of Federal Dollars to support low-income entrepreneurs in the City of Allentown. Some of these small business owners did not meet the HUD income level criteria and the expenses must be covered using non-Federal funding

sources. Due to the success of the program and because of the low threshold for federal funding, the SPARK program is now housed in the General Fund BEAR program beginning with FY 2024. However previous ineligible expenses must be repaid to HUD.

b. Benefits (initial and ongoing)

Continued implementation of SPARK technical assistance training to 30 entrepreneurs as a result of recognizing the need for more localized and individualized tools for small business to succeed.

- **Funding Sources- Please include the following in your explanation:**

- a. **If transferring funds, please make sure to give specific account names and numbers.**

If appropriating funds from a grant, please list the agency awarding the grant.

Step 1- Transfer \$77,281.88 of available budgetary funding from the 2024 General Fund (GF) DCED Building Standards & Safety (BS&S) program 1 (-46) account to the GF DCED Director's Bureau program 1 (-88) interfund transfer out expense account.

Step 2- Increase the Federal Grants Fund interfund transfer in revenue account to reflect the transfer of funds from the General Fund to the Federal Grants Fund.

- **Priority status – Are there any deadlines to be aware of?**

This bill has a high priority status as the HUD monitor has requested the City repay the HUD line of credit within 30 days of the finding as noted in their 2023 Program Year review which was received in September of 2024.

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

Compliance with the single audit while supporting the city's investment in economic development is a shared goal.