



City of Grand Island

Tuesday, July 24, 2012

Council Session

Item E2

Public Hearing on Budget Amendment for Neighborhood Stabilization Program Grant

Staff Contact: Marco Floreani

Council Agenda Memo

From: Marco Floreani

Council Meeting: July 24, 2012

Subject: Approving Neighborhood Stabilization Program
(09-3N-11) Budget Amendment Request

Item #: E-2 & G-14

Presenter(s): Marco Floreani, Community Development Administrator

Background

In 2009, the City of Grand Island was awarded a \$993,712 Neighborhood Stabilization Program Grant from the Nebraska Department of Economic Development for property acquisition, demolition, redevelopment of new housing, housing administration, and general administration. In September 2010, the Department of Economic Development awarded an additional \$190,000 to the City for additional demolition and redevelopment. The project has enabled the City to demolish 11 blighted structures and fund construction of (8) new houses on a portion of the lots. The houses are available to first-time homebuyers, who can apply for Direct Subsidy for down payment through this grant. All funds from the sale of each property will return to the City as program income and reinvested into similar projects.

Discussion

There are grant funds remaining for use in the New Construction activity of the budget. By requesting a budget amendment, these New Construction funds may be reallocated to Clearance/Demolition activity. This will give the City of Grand Island the opportunity to demolish an additional vacant and blighted property and fully utilize the funds we have been awarded for the Neighborhood Stabilization Program (NSP) grant 09-3N-11. The current remaining funds in the New Construction activity are \$16,728. The proposed budget amendment will allocate the \$16,728 to be used for Clearance/Demolition. The Grand Island City Council is required to take action on the budget amendment request for submission to the Nebraska Department of Economic Development.

The budget amendment is being requested due to:

1. New Construction funds remaining, which have not been utilized during the construction of 8 homes built for low-moderate income individuals and families.

2. The ability to re-allocate these remaining funds to the Clearance/Demolition activity and demolish additional owner-occupied, vacant, blighted properties in Grand Island.

Community Development believes that the demolition of additional properties will be completed within the Neighborhood Stabilization Programs contract, which ends on August 23, 2012, if not before.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the Neighborhood Stabilization Program (NSP) grant 09-3N-11 budget amendment request
2. Refer the issue to a Committee.
3. Postpone the issue to a later date.

Recommendation

City Administration recommends that Council approves the Neighborhood Stabilization Program (NSP) grant 09-3N-11 budget amendment request.

Sample Motion

Move to approve the Neighborhood Stabilization Program (NSP) grant 09-3N-11 budget amendment request.