

Office of the Mayor
Chokwe Lumumba, Mayor



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January 31, 2014

Via Hand Delivery

Ms. Linda F. Tynes
Director, Community Planning & Development Division
U. S. Department of Housing and Urban Development
100 West Capitol Street, Room 910
Jackson, Mississippi 39269-1096

Re: Monitoring of Community Development Block Grant (CDBG) Program
Grant Numbers: B-09-MC-0003, B-10-MC-0003, and B-11-MC-0003

Dear Ms. Tynes:

Please accept this correspondence as the City of Jackson's (City) response to the Department of Housing and Urban Development's (HUD) letters of August 8, 2013, September 25, 2013, and December 18, 2013 wherein HUD informed the City that it must reimburse its CDBG Line of Credit, with non-Federal funds, for CDBG projects that were determined to be ineligible.

The City hereby proposes to reimburse its CDBG Line of Credit from its General Fund Budget over a three-year period in the following manner:

Ineligible CDBG Projects

• CDBG–Small Bus. Dev.	\$ 575,532.36
• CDBG–Roberts Hotel	\$ 200,000.00
• CDBG–Electric Bldg.	\$ 914,420.05
• CDBG–Metro Market Place	\$ <u>250,000.00</u>
Total Due	\$ 1,939,952.41

The City's fiscal year cycle is October 1 – September 30.

City's Fiscal Year

1 st Payment	October 2015	\$ 646,650.81
2 nd Payment Date	October 2016	\$ 646,650.80
3 rd Payment Date	October 2017	\$ <u>646,650.80</u>
Total		\$ 1,939,952.41

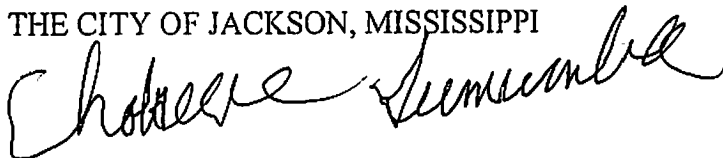
If approved by HUD, the "repayment plan" would be voted on by the City Council. Once the funds are received into the City's local CDBG account, they will be noted as a return of grant funds and will be reprogrammed for other CDBG-eligible activities.

As mentioned to HUD in a previously letter, the City's economic downturn of past years have grossly affected the City of Jackson by reducing the amount of financial resources available to the City to provide the basic municipal services to its citizens. Since this downturn, the City still has not fully recovered revenue losses associated with it. The City's municipal services such as street resurfacing and drainage continues to be in high demand and have yet to be fully funded. The City recently passed a 1% tax increase to address some of our street and drainage issues. However, it will be several months before the City receives the benefits from this tax increase. Therefore, the City submits this response and proposed resolution for HUD's consideration.

The City is committed to working with HUD in a focused effort of ensuring it's compliance with the CDBG program requirements. Additionally, the City expresses its appreciation for the time and effort made by HUD in ensuring that the City implements the program requirements of all of its grant-funded programs. We believe that both HUD and the City have a mutual desire to serve in the best interest of the citizens of Jackson. If you have any questions or require additional information, please feel free to contact Vanessa Henderson at 601-960-1493.

Sincerely,

THE CITY OF JACKSON, MISSISSIPPI



Chokwe Lumumba, Mayor
City of Jackson, Mississippi

ATTACHMENTS

cc: Kwame Kenyatta, Deputy CAO
Lee Unger, Director, Department of Finance and Administration
Harold Lathon, Interim Director, Department of Planning and Development
Bennie Hopkins, Interim Deputy Director, OHCD
Azande Williams, Deputy City Attorney
Vanessa Henderson, Manager, OHCD