



Office of the City Manager

TO: Honorable Mayor and Members of the City Council
FROM: Patrick Urich, City Manager 
DATE: October 19, 2012
SUBJECT: Issues Update

The following are issues related to the City for the weekly Issues Update. If there are additional items you believe should be included, please let me know.

CDBG PUBLIC SERVICE APPLICATIONS. The Planning and Growth Management Department received 34 CDBG public service applications by the deadline date of September 28, 2012. The Human Resources Commission (HRC) is in the process of reviewing these and will hold a Clarification Meeting on Friday, October 19, 2012 to give applicants the opportunity to explain their proposed activity and answer questions. The Human Resources Commissioners will then individually rank and recommend award amounts and meet on November 16, 2012 as a Commission to make an HRC award recommendation that will be presented to the City Council for consideration.

CITY TO ALLOCATE 2012 VOLUME CAP TO ASSIST PROGRAM. Each year the City of Peoria receives, from the State of Illinois, an allocation of Private Activity Bonds, also known as Volume Cap. The amount of allocation is calculated by multiplying \$95 by the population of the City of Peoria as listed in the *State of Illinois Guidelines and Procedures for the Allocation of Private Activity Bonding Authority*. On February 28, 2012, Peoria City Council passed Ordinance # 16,798 reserving its 2012 Volume Cap of \$10,925,665. **(Guidelines Attached as Electronic Copy Only)**

Private Activity Bonds are exempt from federal income tax once they are in the hand of the holders, thus lowering the cost of capital to the borrower. Another benefit of the Bonds is long term financing, generally more than 20 years. Projects that may be eligible to use Private Activity Bonds are: industrial, manufacturing, and low or moderate income housing projects.

In March 2012, staff placed notice in the *Issues Update* as well as in the Peoria Journal Star to advise the community that this bonding capacity was available and asked that anyone interested in utilizing the Volume Cap contact the Economic Development Office. Staff has not received interest from private developers as of this date. Without industrial or manufacturing project interest and to ensure that the Cap is not lost to the City of Peoria, staff will allocate the 2012 Volume Cap to the Assist First Time Homebuyers Program. More information on the ASSIST program is provided on the following two pages.

For questions on the Volume Cap or the Assist Program contact: Susan Schlupp, 494-8644
sschlupp@ci.peoria.il.us.