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For Immediate Release

**Pontiac Emergency Manager Announces Method
to Prevent Loss of Federal Funds for Pontiac**

Pontiac Emergency Manager Louis H. Schimmel announced today that HUD has presented the City with a proposal that will prevent the loss of federal funds for the CDBG, HOME, and NSP 3 Programs. Mr. Schimmel requested technical assistance from the Detroit Field Office on Wednesday, October 12 during a meeting; follow-up meetings and conference calls were held as recently as December 22 and January 10. Contrary to statements by others, the City's intention was not to lose unspent and uncommitted funds for the CDBG, HOME, and NSP3 programs. The City has a history of receiving noncompliance notices from HUD, many repeated violations, over the past twenty years. Because of this history of noncompliance and the strong possibility of the deprogramming of unspent grant awards, HUD strongly recommended that the City should transfer all federal grants to Oakland County, which has a stellar record of grant administration. Oakland County Board of Commissioners approved an agreement on October 4 concerning future CDBG funding, but the issues of prior year unspent CDBG, HOME, and NSP 3 funds was not settled, thus jeopardizing these funds. Upon Mr. Schimmel's request, the Detroit HUD Field Office worked to identify solutions to meet the City's needs and involved HUD offices in Chicago and Washington. During a conference call yesterday, HUD presented the City of Pontiac a mechanism so the City would not jeopardize the loss of prior year HOME and NSP 3 funding that had been uncommitted and unspent. Also, during the conference call, HUD presented an option that would allow the City to keep CDBG funding under the current year formula for the next three years while addressing HUD's concerns about management of the funds. The original solution strongly recommended by HUD and accepted by the City and Oakland County would have resulted in a loss of \$840,000 in CDBG funding and \$370,000 in HOME funding for the 2012 program year. Under the new mechanism, Oakland County will be a partner in the administration of all future and all prior year unspent and uncommitted CDBG, HOME, and NSP 3 funds.

"I am very appreciative of the strong support provided by the staff of Oakland County Executive L. Brooks Patterson to help insure that the City of Pontiac maximizes its federal funding opportunities. This will allow the City to continue its aggressive program to remove blight from the neighborhoods and demolish nearly 1,300 dangerous structures", said Mr. Schimmel.

HUD is providing technical support to prepare the documents necessary for this solution to be implemented. Upon receipt of these documents, the Oakland County Board of Commissioners will be requested to approve additional agreements.
