

Pawnee City Council Weighs in on New Rules for Reuse Loans

(KTNC) -- The Pawnee City Council is weighing in on the Nebraska Department of Economic Development's annual action plan for local CDBG Reuse funds. The DED released the plan last week.

Pawnee City officials question part of the action plan pertaining to CDBG economic development program income. That says, "Grant recipients must state that all projects will consist of activities that benefit low-to-moderate income persons...and are the same activities provided to the same business that was originally funded."

In a letter to the Department of Economic Development, Pawnee City says that applying that standard to existing Reuse loan funds creates confusion and would eliminate programs that have been operating within the previous standards.

Pawnee City made its initial CDBG economic development grants more than 30 years ago. City officials say loans made in the 1980s and 90s have been repaid to provide a pool of CDBG Reuse funds that now totals between \$100,000 and \$140,000. Pawnee City is on the third generation of loans from the Reuse fund, and city officials say they have never had a loan not be repaid. They say the loans have added significantly to the economic vitality of the community.

The letter asks the Department of Economic Development to write a different standard for existing local CDBG Revolving Loan Funds than it has for new grant recipients.