



*The NOBO (North of Broad) development at the intersection of Long Street and 21<sup>st</sup> Street. NOBO was built in part through the use of Neighborhood Stabilization Funds.*

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## COMMUNITY DEVELOPMENT BLOCK GRANT OPERATING FUND

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### **2016 Fund Balance Summary**

The Community Development Block Grant (CDBG) has been awarded to the City of Columbus through the U.S. Department of Housing and Urban Development (HUD) on an annual formula allocation basis since 1975. The City of Columbus uses the grant to address community development needs around four broad themes: affordable housing; housing for special needs populations; community and economic development; and health, human, and social services. At least 70 percent of the CDBG resources will be used for activities that benefit low- to moderate-income persons.

The Community Development Block Grant fund typically realizes beginning year cash balances resulting from reprogramming of previous years' unspent funds and unappropriated cash balances held in reserve to offset revenue fluctuations. The amounts carried forward to 2014 and 2015 were \$2,821,757 and \$3,111,029, respectively. The 2016 beginning year cash balance is projected to be \$1,634,241.

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The following table reflects the fund balance assumptions:

<b>2016 CDBG Fund Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2016)	\$ 1,634,241
Plus Estimated 2016 Receipts	7,089,359
Plus General Fund Transfer	-
Plus Estimated Encumbrance Cancellations	-
Total Estimated Available Resources	<u>\$ 8,723,600</u>
Less 2016 Recommended Operating Budget	(8,456,268)
Projected Available Balance (December 31, 2016)	<u><u>\$ 267,332</u></u>

### **2016 Revenues**

The entitlement award from the U.S. Department of Housing & Urban Development (HUD) is expected to be approximately 74 percent of all CDBG resources. Entitlement allocations vary by congressional legislative action. The city is projecting a level entitlement award for 2016 of \$6,453,359.

Economic development loan repayments account for 3.4 percent of CDBG resources. Separately, the city contracts with sub-recipient agencies to implement economic development revolving loan programs; these loan repayments are retained by the agencies for additional loans.

Housing loan repayments are expected to be 2.5 percent of CDBG resources as a result of more grants than amortized loans being awarded in recent years.

Miscellaneous revenues include interest earnings on revolving loan funds (which must be remitted to HUD) and program income from activities such as the School's Out, Capital Kids, and Environmental Nuisance programs. Miscellaneous revenues are expected to account for 1.3 percent of CDBG resources.

The unencumbered cash balance, representing carryover and reprogrammed funds, will provide 18.7 percent of the available funding.

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The following table summarizes CDBG revenues by type and year:

2016 CDBG Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Entitlement Award	\$ 6,877,408	\$ 6,681,968	\$ 6,453,359	\$ 6,453,359
Economic Development Repayment	405,245	380,803	208,724	300,000
Housing Loan Repayments	285,062	233,190	188,888	220,000
Miscellaneous Receipts	103,204	114,568	161,481	116,000
Encumbrance Cancellations	653,617	744,231	123,698	-
Unencumbered Cash Balance	2,260,653	2,821,758	3,111,029	1,634,241
<b>Total Resources</b>	<b>\$ 10,585,189</b>	<b>\$ 10,976,518</b>	<b>\$ 10,247,179</b>	<b>\$ 8,723,600</b>
Percent Change		3.70%	-6.64%	-14.87%

## 2016 Proposed Operating Budget

The CDBG budget is a part of the larger annual Action Plan submitted to HUD. The Action Plan is the final step in the HUD-mandated Consolidated Planning process and uses priorities and goals established during the process to help determine program funding for the coming year. This planning process solicits significant citizen participation and consultation in the development of priority needs and goals. Twenty strategic goals were identified during the citizen participation/consultation process. These are grouped into four themes as follows: affordable housing; housing for special needs populations; community and economic development; and health, human, and social services. All activities satisfy one of two basic federal mandates: elimination of slum and blight or benefit to low- and moderate-income families and individuals.

The four themes and associated activities are further defined below:

### Affordable Housing

Activities focused on meeting the goals within this theme serve to conserve and improve existing affordable owner housing in targeted areas, increase opportunities for low- and moderate-income households to become and remain homeowners, and ensure equal access to housing.

Two notable programs that support affordable housing are the Emergency Repair Program and Homeowner Assistance programs. These provide home repair loans and grants to low- and moderate-income homeowners, as well as staff to implement city housing programs. Also funded are contracts for fair housing services and homebuyer counseling services. The affordable housing component includes a total of nine activities totaling \$2,704,902, or 32 percent of the CDBG budget.

### Housing for Special Needs Populations

Special needs populations include those who are elderly, frail elderly, persons with disabilities, persons with substance abuse problems, persons living with HIV/AIDS, and victims of domestic violence. CDBG funds are used to fund activities that provide housing assistance and related services for these individuals. Programs provide housing accessibility modifications, senior

citizen home maintenance, support for homeless programs, and support for HIV/AIDS housing programs.

Programs funding these activities include the Home Modification, Chores, Rebuilding Lives and AIDS Housing programs. Five programs are funded, totaling \$869,208, or 10.3 percent of the CDBG budget.

### **Community and Economic Development**

Activities funded under this theme support ongoing efforts to revitalize neighborhoods through community-based and economic development activities. Specific programs seek to create and maintain a favorable business environment in low- and moderate-income areas and ensure a high quality of life for residents. Additionally, activities provide funding for neighborhood and target area revitalization programs, technical and financial assistance to community-based organizations, and improvement of the physical environment and infrastructure in Columbus' central city neighborhoods.

Notable activities include low- and moderate-income job creation opportunities, providing funds to neighborhood-based organizations and subrecipient agencies for economic development, acquiring vacant and abandoned properties, and maintaining safe and sanitary housing and vacant properties. These activities are funded with monies from the Economic Development Loan Fund, the Neighborhood Support Fund, and the Code Enforcement and Environmental Nuisance programs.

Other funded programs include Neighborhood and Agency, the Business Development Office, and the Business Financing Office. Nine programs are funded, totaling \$3,198,078, or 37.8 percent of the CDBG budget.

### **Health, Human, and Social Services**

Activities conducted under this theme will continue to make Columbus neighborhoods safe places in which to live, work, and raise a family. Activities support comprehensive health needs, such as providing health management skills within neighborhoods and target areas, as well as a coordinated system of childcare, education, and developmental services for children, teens, and families.

Activities funded are Pregnancy Support, Sexual Health Awareness, Capital Kids, and School's Out.

All activities funded under this theme require benefit to low- and moderate-income citizens. Supportive services include a total of five activities totaling \$964,188, or 11.4 percent of the CDBG budget.

### **Programmatic Support**

The CDBG budget provides funding for programmatic support. Most notable is the loan servicing contract. This contract provides assistance in administering both the housing and economic development loan portfolios. Programmatic support includes a total of four activities totaling \$703,892, or 8.3 percent of the CDBG budget.

### **Non-Program Expenditures**

CDBG regulations require any interest earned on revolving loan funds be remitted to the U.S. Treasury. The estimate for interest earnings is \$16,000 and represents 0.2 percent of the total budget.

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The following table summarizes the community development block grant fund recommended appropriation levels:

2016 CDBG Fund						
Proposed Operating Budget						
Division	Personnel	Supplies	Services	Other	Capital	Total
Development - Admin	\$ 911,897	\$ 2,000	\$ 227,000	\$ -	\$ -	\$ 1,140,897
Economic Development	674,203	2,250	632,750	-	-	1,309,203
Code Enforcement	935,719	12,000	160,000	-	-	1,107,719
Housing	1,220,637	23,000	1,239,767	850,000	-	3,333,404
Finance & Management	445,838	2,850	117,990	16,000	-	582,678
Public Health	200,396	-	-	-	-	200,396
Recreation and Parks	736,883	3,033	41,555	500	-	781,971
Total	\$ 5,125,573	\$ 45,133	\$ 2,419,062	\$ 866,500	\$ -	\$8,456,268

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