

Community Development Block Grant Operating Fund

2015 Fund Balance Summary

The community development block grant (CDBG) 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 2013 and 2014 were \$2,260,653 and \$2,821,757, respectively. The 2015 beginning year cash balance is projected to be \$2,764,814.

The following table reflects the fund balance assumptions:

2015 CDBG Fund Balance Summary	
Unencumbered Cash Balance (January 1, 2015)	\$ 2,764,814
Plus Estimated 2015 Receipts	7,516,968
Plus General Fund Transfer	-
Plus Estimated Encumbrance Cancellations	-
Total Estimated Available Resources	<u>\$ 10,281,782</u>
Less 2015 Recommended Operating Budget	(9,128,365)
Projected Available Balance (December 31, 2015)	<u><u>\$ 1,153,417</u></u>

2015 Revenues

The entitlement award from the U.S. Department of Housing & Urban Development (HUD) is expected to be approximately 65 percent of all CDBG resources. Entitlement allocations vary by congressional legislative action. The city is projecting a level entitlement award for 2015 of \$6,681,968.

Economic development loan repayments account for 4.9 percent of CDBG resources. The city continues to contract with sub-recipient agencies to implement economic development revolving loan programs. Loan repayments are retained by these agencies for additional loans.

Housing loan repayments are expected to be 2.1 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 1.1 percent of CDBG resources.

The unencumbered cash balance, representing carryover and reprogrammed funds, will provide 26.9 percent of the available funding.

The following table summarizes CDBG revenues by type and year:

2015 CDBG Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2012 Actual	2013 Actual	2014 Estimated	2015 Proposed
Entitlement Award	\$ 6,297,996	\$ 6,877,408	\$ 6,681,968	\$ 6,681,968
Economic Development Repayments	762,158	405,245	435,215	500,000
Housing Loan Repayments	217,793	285,062	206,990	220,000
Miscellaneous Receipts	110,148	103,204	142,366	115,000
Encumbrance Cancellations	807,543	653,617	674,974	-
Unencumbered Cash Balance	2,002,164	2,260,653	2,821,757	2,764,814
Total Resources	\$ 10,197,802	\$ 10,585,189	\$ 10,963,270	\$ 10,281,782
Percent Change		3.80%	3.57%	-6.22%

2015 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 Vacant Property Prevention 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 \$2,961,109, or 32.4 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 \$919,208, or 10.1 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 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 \$3,501,168, or 38.4 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 are funded by the Pregnancy Support, Sexual Health Awareness, Capital Kids, School's Out, and Columbus Kids: Ready, Set, Learn programs.

All activities funded under this theme require benefit to low- and moderate-income citizens. Supportive services include a total of six activities totaling \$1,042,028, 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 \$692,852, or 7.6 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 \$12,000 and represents 0.1 percent of the total budget.

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

2015 CDBG Fund						
Proposed Operating Budget						
Division	Personnel	Supplies	Services	Other	Capital	Total
Development - Admin	\$ 928,477	\$ 8,024	\$ 253,250	\$ -	\$ -	\$ 1,189,751
Economic Development	790,814	3,850	747,995	-	-	1,542,659
Code Enforcement	859,348	13,500	166,000	-	55,000	1,093,848
Housing	1,217,385	20,250	1,455,339	950,000	-	3,642,974
Finance & Management	435,629	2,500	148,797	12,000	-	598,926
Public Health	212,275	-	4,000	-	-	216,275
Recreation and Parks	748,844	3,033	91,555	500	-	843,932
Total	\$ 5,192,772	\$ 51,157	\$ 2,866,936	\$ 962,500	\$ 55,000	\$ 9,128,365