

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

2018 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, recreational, and social services. At least 70 percent of the CDBG resources will be used for activities that benefit low-to moderate-income persons.

The 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 2016 and 2017 were \$1,936,049 and \$2,987,306, respectively. The 2018 beginning year cash balance is projected to be \$3,145,878.

The following table reflects the fund balance assumptions:

2018 CDBG Fund Balance Summary	
Unencumbered Cash Balance (January 1, 2018)	\$ 3,145,878
Plus Estimated 2018 Receipts	6,263,905
Plus Estimated Encumbrance Cancellations	50,000
Total Estimated Available Resources	<u>\$ 9,459,783</u>
Less 2018 Recommended Operating Budget	(7,789,445)
Projected Available Balance (December 31, 2018)	<u><u>\$ 1,670,338</u></u>

2018 Revenues

The entitlement award from the U.S. Department of Housing & Urban Development (HUD) is expected to comprise 62 percent of all city CDBG resources. In 2018, the city projects an entitlement allocation of \$5,823,905, which reflects a ten percent reduction from the 2017 actual award; entitlement allocations vary according to congressional legislative action.

In addition to the entitlement award, the city expects to receive revenue from various program categories. The following projections are based on historical trend analysis.

Economic development receipts account for two percent of CDBG resources, including interest earnings on revolving loan funds (which must be remitted to HUD). Separately, the city

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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 receipts are expected to be two percent of CDBG resources as a result of the use of grants, rather than amortized loans, in recent years.

Miscellaneous receipts are generated from activities such as the School's Out and Capital Kids programs. These revenues are expected to account for one percent of CDBG resources.

The unencumbered cash balance, representing carryover and reprogrammed funds, will provide 33 percent of the available funding in 2018.

The following table summarizes CDBG revenues by type and year:

2018 CDBG Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2015	2016	2017	2018
	Actual	Actual	Projected	Proposed
Entitlement Award	\$ 6,453,359	\$ 6,501,384	\$ 6,471,005	\$ 5,823,905
Economic Development Receipts	322,673	265,862	139,218	185,000
Housing Loan Receipts	180,092	204,765	327,966	175,000
Miscellaneous Receipts	128,884	88,753	171,846	80,000
Encumbrance Cancellations	156,508	724,338	293,068	50,000
Unencumbered Cash Balance	3,111,029	1,936,049	2,987,306	3,145,878
Total Resources	\$ 10,352,545	\$ 9,721,151	\$ 10,390,409	\$ 9,459,783
Percent Change		-6.10%	6.88%	-8.96%

2018 Proposed Operating Budget

The CDBG budget is 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-one strategic goals were identified during the citizen participation/consultation process. As previously stated, these are grouped into four themes as follows: affordable housing; housing for homeless and special needs populations; community and economic development; and health, recreational, 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.

The Affordable Housing Opportunity Fund includes programs that directly support the goal of affordable housing. These programs provide home repair loans and grants to low- and moderate-income homeowners and enable accessibility modifications, minor home

maintenance, and emergency repairs to homeowner and rental properties. CDBG is also used to fund contracts for fair housing services, and homebuyer counseling services. The affordable housing component includes various activities implemented by the Department of Development's Housing Division totaling 16 percent of the CDBG budget; however some of these funds will also benefit homeless and special needs populations.

Housing for Homeless and 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 senior citizen home maintenance and emergency repairs, as well as support for homeless programs. Funding targeted for this category is designated to the Chores Program, representing three 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, and maintaining safe and sanitary housing and vacant properties. These activities are funded with monies from Economic Development Loans, Neighborhood Commercial Development, Code Enforcement, and Neighborhood Crisis Response programs. These programs total 41 percent of the CDBG budget.

Health, Recreational, and Social Services

Activities conducted under this theme will continue to make Columbus neighborhoods safe places in which to live, work, play, 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 recreational services for children, teens, and families.

Activities funded are Pregnancy Support, Sexual Health Awareness, Capital Kids, School's Out, and City Recreation Facilities. All activities funded under this theme require benefit to low- and moderate-income citizens; funding for these services totals 12 percent of the CDBG budget.

Program Management

The CDBG budget provides funding for program management. This includes staff to support all housing, homeless, and economic development activities, as well as fiscal, legislative, and administrative responsibilities. Funding for program management represents 30 percent of the CDBG budget.

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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 \$24,000 and represents 0.3 percent of the total budget.

The following table summarizes the Community Development Block Grant (CDBG) fund recommended appropriation levels:

2018 CDBG Fund					
Proposed Operating Budget					
Division	Personnel	Supplies	Services	Other	Total
Economic Development	156,429	-	620,650	-	777,079
Code Enforcement	849,366	-	-	-	849,366
Housing	1,262,182	-	1,339,389	-	2,601,571
Finance & Management	437,926	2,500	124,253	24,000	588,679
Neighborhoods	317,089	2,145	1,755,900	-	2,075,134
Public Health	183,108	-	-	-	183,108
Recreation and Parks	672,084	2,600	39,324	500	714,508
Total	\$ 3,878,184	\$ 7,245	\$ 3,879,516	\$ 24,500	\$ 7,789,445

