

Community Development Block Grant Operating Fund

2013 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 modest unappropriated cash balances. The amounts carried forward to 2011 and 2012 were \$1,643,489 and \$2,002,164, respectively. The 2013 beginning year cash balance is projected to be \$1,921,216.

The following table reflects the fund balance assumptions:

2013 CDBG FUND BALANCE SUMMARY		
Unencumbered Cash Balance (January 1, 2013)	\$	1,921,216
Plus Estimated 2013 Receipts		6,987,996
Plus Estimated Encumbrance Cancellations		-
Total Estimated Available Resources	\$	8,909,212
Less 2013 Recommended Operating Budget		(7,491,525)
Projected Available Balance (December 31, 2013)	\$	<u><u>1,417,687</u></u>

2013 Revenues

Carryover and reprogrammed funds will provide 21.5 percent of the available funding.

The entitlement award from the U.S. Department of Housing & Urban Development (HUD) is expected to be approximately 70.7 percent of all CDBG resources. Entitlement allocations vary by congressional legislative action. The city is projecting a level entitlement award for 2013 of \$6,297,996.

Economic development loan repayments account for 3.4 percent of CDBG resources and have declined steadily in recent years. The city continues to contract with two 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 2.8 percent of CDBG resources. Housing revenues are trending downward, the result of more grants and deferred loans being issued in recent years in lieu of amortized loans.

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 program, loan repayments from the discontinued roof repair program, and environmental blight activities. Miscellaneous revenues are expected to account for 1.6 percent of CDBG resources.

The following table summarizes CDBG revenues by type and year:

CDBG REVENUE BY SOURCE AND YEAR				
REVENUE SUMMARY	2010	2011	2012	2013
	Actual	Actual	Estimated	Proposed
Entitlement Award	\$ 6,986,116	\$ 5,844,549	\$ 6,297,996	\$ 6,297,996
Economic Development Repayments	704,569	534,482	720,614	300,000
Housing Loan Repayments	233,076	324,348	172,956	250,000
Miscellaneous Receipts	182,881	136,946	138,802	140,000
Encumbrance Cancellations	51,621	656,847	556,684	-
Unencumbered Cash Balance	1,358,855	1,643,489	2,002,164	1,921,216
TOTAL RESOURCES	\$ 9,517,118	\$ 9,140,661	\$ 9,889,216	\$ 8,909,212
PERCENT CHANGE		-4.0%	8.2%	-9.9%

2013 Proposed Operating Budget

CDBG activities are divided into four primary themes: affordable housing opportunity, neighborhood and target area revitalization, economic development and economic opportunity, and supportive services. All activities satisfy one of two basic federal mandates: the elimination of slum and blight or benefit to low and moderate income families and individuals. As part of the CDBG budget process, the city solicits significant community input for developing priorities and the funding of activities.

The four primary themes and activities are further defined below:

Affordable Housing Opportunity

The activities funded under this theme support the current level of housing options and related services for special needs populations, expand the conservation and improvement of existing affordable owner and renter housing in targeted areas, increase opportunities for low and moderate income households to become and remain homeowners, and ensure equal access to housing.

The largest activities within affordable housing opportunity are the affordable housing opportunity fund, which provides for housing rehabilitation, housing accessibility modifications and senior citizen home maintenance, and the homeowner assistance program staff, which implement the housing program. Also funded under affordable housing opportunity are the fair housing services contract, the relocation and housing administrative staff, and the AIDS housing program. The affordable housing opportunity component includes a total of ten activities totaling \$2,556,305, or 34.12 percent of the CDBG budget.

Neighborhood and Target Area Revitalization

The neighborhood and target area revitalization programs seek to enable residents to play a greater role in community leadership, self-help, advocacy and development issues; to provide technical and financial assistance to community-based organizations in order to address neighborhood needs; to improve the infrastructure and physical environment of Columbus' central city neighborhoods; and to preserve and promote the character and assets of neighborhoods and target areas.

Notable activities are the code enforcement program, which is responsible for property inspections and is a major participant in the Neighborhood Pride initiative; the environmental nuisance program, which abates weeds and solid waste within the community development service area; the land reutilization program, which allows the city to designate and acquire certain tax delinquent properties for redevelopment; and the neighborhood liaisons who work closely with neighborhood leaders to discuss, address and resolve community issues. The neighborhood and target area component includes a total of four activities totaling \$1,652,454, or 22.06 percent of the CDBG budget.

Economic Development and Economic Opportunity

This theme seeks to create and maintain a favorable business environment in low and moderate income areas while generating employment, business growth and consumer services; to promote thriving small and emerging for-profit and non-profit businesses throughout Columbus; to increase low and moderate income individuals' access to regional job markets and locations; and to improve public infrastructure in commercial and industrial areas.

The economic development loan fund seeks to promote low and moderate income job creation. The fund provides working capital to small businesses with an emphasis on minority owned businesses and provides fixed asset financing to business borrowers that create jobs through expansion. The neighborhood support fund provides monies to neighborhood-based organizations to develop and implement their own economic development projects, initiatives, and services. Also funded within this theme are staff for brownfield remediation, business development office, business financing, and neighborhood commercial development. Economic development includes a total of seven activities totaling \$1,663,689, or 22.21 percent of the CDBG budget.

Supportive Services

The supportive services goals are designed to make Columbus neighborhoods safer places in which to live, work and raise a family; to meet the comprehensive health needs, including health management skills, within our neighborhoods and target areas; to assist families and individuals moving from poverty or public assistance to stability or self-sufficiency; and to provide a coordinated system of childcare, education and development services for children, teens and families.

All activities funded under supportive services require benefit to low and moderate income citizens. Notable among these are the pregnancy support program, which impacts high-risk pregnant women through active community outreach; the Capital Kids program, which provides out-of-school programming for Columbus children; the sexual health awareness program which seeks to reduce STD/HIV infection, unwanted

pregnancies and high-risk sexual activities; and the school's out program, which funds a day camp for children on days that the Columbus Public Schools are not in session. Supportive services include a total of 7 activities totaling \$1,007,953, or 13.45 percent of the CDBG budget.

The CDBG budget also provides monies for programmatic support. Most notable is the loan servicing contract which provides for assistance in the administration of both the housing and economic development loan portfolios. Programmatic support includes a total of four activities totaling \$596,124, or 7.96 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 \$15,000 and represents 0.20 percent of the total budget.

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

2013 CDBG PROPOSED OPERATING BUDGET					
<u>DIVISION</u>	<u>PERSONNEL</u>	<u>SUPPLIES</u>	<u>SERVICES</u>	<u>OTHER</u>	<u>TOTAL</u>
Development - Admin.	\$ 923,993	\$ 2,500	\$ 93,250	\$ -	\$ 1,019,743
Economic Development	797,745	4,350	861,594	-	1,663,689
Code Enforcement	785,239	2,650	158,895	-	946,784
Housing	988,266	16,400	1,016,809	331,385	2,352,860
Finance & Management	341,802	1,000	152,783	15,000	510,585
Public Health	203,557	-	-	-	203,557
Recreation and Parks	703,112	1,750	88,919	526	794,307
TOTAL	\$ 4,743,714	\$ 28,650	\$ 2,372,250	\$ 346,911	\$ 7,491,525

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