

## Community Development Block Grant Operating Fund

### 2008 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 2006 and 2007 were \$3,098,261 and \$4,896,732, respectively; the 2008 beginning year cash balance is projected to be \$2,233,548. The bulk of the carryover funds is contained within the restricted revolving loan fund.

The following table reflects the 2008 fund balance assumptions:

2008 CDBG FUND BALANCE SUMMARY		
Projected Unencumbered Cash Balance (January 1, 2008)	\$	2,040,303
Plus Reserve for 27th Pay Period		193,245
Plus Estimated 2008 Receipts		9,435,274
Total Estimated Available Resources		11,668,822
Less 2008 Recommended Operating Budget		(11,412,356)
Projected Available Balance (December 31, 2008)	<b>\$</b>	<b>256,466</b>

### 2008 Revenues

The entitlement award from the U.S. Department of Housing & Urban Development (HUD) is expected to be approximately 56.6 percent of all CDBG revenue in 2008. Entitlement allocations vary by congressional legislative action and have trended downward in recent years: -8.25 percent in 2003, -2.67 percent in 2004, -5.4 percent in 2005, -10.25 percent in 2006 and -.45 percent in 2007. As this document is being printed, Congress has not yet enacted the HUD spending bill for FY2008. The city is projecting level funding for 2008.

Economic development loan repayments account for 8.6 percent of CDBG resources for 2008. Individual large loan payoffs have trended revenues upward in past years; however, the trend appears to be in abeyance.

Housing loan repayments are expected to be 11.8 percent of CDBG resources in 2008. 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 3.8 percent of CDBG resources in 2008.

Carryover and reprogrammed funds from prior years will provide 19.2 percent of the 2008 available funding.

The following table summarizes CDBG revenues by type and year:

<b>CDBG REVENUE BY SOURCE AND YEAR</b>				
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>REVENUE SUMMARY</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Proposed</b>
Entitlement	\$ 7,397,066	\$ 6,638,811	\$ 6,609,044	\$ 6,609,044
Economic Development Repayments	1,406,862	1,873,018	1,164,464	1,000,000
Housing Loan Repayments	1,329,887	1,479,289	1,011,512	1,378,420
Miscellaneous Receipts	872,451	467,312	438,750	447,810
Carryover, Reprogrammed funds	2,723,801	3,098,262	4,896,732	2,233,548
<b>TOTAL RESOURCES</b>	<b>\$ 13,730,067</b>	<b>\$ 13,556,692</b>	<b>\$ 14,120,502</b>	<b>\$ 11,668,822</b>
PERCENT CHANGE	-2.4%	-1.3%	4.2%	-17.4%

## 2008 Proposed Operating Budget

In 2008, 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; the homebuyer counseling and housing development contracts which provide funding to agencies that enhance the city's efforts to increase homeownership opportunities; the homeless prevention and crisis transition program which will provide assistance to households in danger of losing their housing; and the housing services staff to operate the mobile tool library. 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 11 activities totaling \$4,605,369, or 40.4 percent of the 2008 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 summer youth clean teams program, which provides for a neighborhood environmental abatement program in ten neighborhoods. The neighborhood and target area component includes a total of 6 activities totaling \$1,903,661, or 16.7 percent of the 2008 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. The Columbus Urban Growth Corporation will acquire and develop unused or underutilized land in targeted areas on behalf of the city's Department of Development. Economic development includes a total of 7 activities totaling \$2,791,052, or 24.5 percent of the 2008 CDBG budget.

## Supportive Services

The supportive services goals are 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 direct 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 5 activities totaling \$945,906, or 8.3 percent of the 2008 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 5 activities totaling \$1,001,368, or 8.7 percent of the 2008 CDBG budget. Interest earnings payable to HUD are also included in the 2008 budget for \$165,000.

The following table summarizes the 2008 community development block grant fund recommended appropriation levels:

<b>2008 CDBG PROPOSED OPERATING BUDGET</b>					
<b><u>DIVISION</u></b>	<b><u>PERSONNEL</u></b>	<b><u>SUPPLIES</u></b>	<b><u>SERVICES</u></b>	<b><u>OTHER</u></b>	<b><u>TOTAL</u></b>
Mayor's Office of Ed.	\$ 264,771	\$ -	\$ 141,229	\$ -	\$ 406,000
Development - Admin.	747,709	3,000	3,750	-	754,459
Economic Development	796,085	4,750	1,990,217	-	2,791,052
Neighborhood Services	1,281,121	2,000	275,879	-	1,559,000
Planning	103,371	400	600	-	104,371
Housing	2,093,072	26,450	1,122,849	1,008,241	4,250,612
Finance & Management	543,662	3,250	233,950	165,000	945,862
Public Health	350,078	-	5,922	-	356,000
Recreation and Parks	210,308	1,286	32,841	565	245,000
<b>TOTAL</b>	<b>\$ 6,390,177</b>	<b>\$ 41,136</b>	<b>\$ 3,807,237</b>	<b>\$ 1,173,806</b>	<b>\$ 11,412,356</b>