

**City of Minneapolis
FY 2005 Budget
Financial Schedules
Community Development Block Grant (CDBG)**

BACKGROUND

This fund is used to account for the Federal grants received under the Community Development Block Grant Provision authorized by Title I of the Housing and Community Development Act of 1974. Included in this entitlement are the CDBG, HOME Investment Partnerships Program (HOME), Emergency Shelter Grants Program (ESGP), Housing Opportunities for Persons with AIDS (HOPWA) and American Dream Down Payment Initiative. Based on its U.S. Department of Housing and Urban Development (HUD)-submitted Consolidated Plan, annual direct grants can be used by the City of Minneapolis to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons. The fund may appear to have a negative fund balance because a draw on federal funds is in process.

HISTORICAL FINANCIAL PERFORMANCE

For finance and budgeting purposes, the City assumes a draw down of these funds in the year they are allocated. The CDBG fund balance amount at any given time is due to the extent of timing differences between entitlement grant revenue receipts and grant expenditure disbursements.

ADOPTED BUDGET

Revenues

The entitlement funds drawn from HUD are budgeted based on the past relationship between national appropriations and local entitlement amounts. Amounts are based on the actions, to date, of the U.S. House and Senate. At the time of this publication, the City's total entitlement for 2005 will be approximately .5% less than the previous year based on preliminary information from HUD. The Community Development Block Grant will be \$150,000 less than last year and the HOME and HOPWA awards will be \$28,916 less. Final award numbers from Congress will not be expected before early in 2005. The HUD appropriation formula, which changed in 2002, includes variable factors based on 2000 Census information. The Census information includes population changes among all the cities within the total HUD appropriation.

Expenditures

The City distributes its entitlement funds in the HUD Consolidated Plan - it carries out program activities and awards funds to private and public not-for-profit organizations. No budgeted program increases are expected.

Debt Service

The CDBG entitlement is obligated over and above the current grant budgets by \$7.38 million. This amount reflects what the City borrowed against its entitlement to fund the Block E economic development project. As program revenues exceed the budget expenditures, these funds will be incrementally applied to the previously obligated \$7.38 million. As a result of reprogramming reductions in prior years the over extended amount has been reduced to \$6.54 million.

SCHEDULE FOUR
Year 31 (2005) - Community Development Block Grant

Organization	Project	2004 Consolidated Plan	2005 Council Adopted Budget
<u>Capital /Other---CDBG</u>			
Community Planning and Economic Development	Industry Cluster Program (Living Wage Jobs)	98,818	99,000
Community Planning and Economic Development	Adult Training, Placement and Retention	639,823	641,000
Community Planning and Economic Development	Homeownership Program (GMMHC)	464,146	520,000
Community Planning and Economic Development	VHR Distressed	392,279	-
Community Planning and Economic Development	Multi-Family/Affordable Housing	5,380,106	5,140,000
Community Planning and Economic Development	Non-Profit Multi-Family Affordable Housing Development Assistance		250,000
Community Planning and Economic Development	NEDF/CEDF	149,725	150,000
Community Planning and Economic Development	Residential Loan/Grant	443,185	600,000
Community Planning and Economic Development	Vacant & Boarded Housing	998,164	1,200,000
Community Planning and Economic Development	High density corridor housing	998,164	1,000,000
Greater Minneapolis Day care Association	Childcare Facilities Loan/Grant	322,407	322,000
Minneapolis Public Housing	General Rehabilitation	312,425	312,000
Operations/Regulatory Services	Lead Reduction	179,670	180,000
Operations/Regulatory Services	Boarded Buildings Demolition	201,629	-
Multiple Departments (Fire, Ops/Regs, City Attorney, Police)	New Problem Properties Strategy		202,000
Total Capital/Other (65%)		10,580,541	10,616,000
<u>Public Service---CDBG</u>			
Community Planning and Economic Development	Youth Employment	566,957	568,000
Community Planning and Economic Development	Mortgage Foreclosure Prevention Program	249,541	250,000
Department of Health & Family Support	Way to Grow	310,429	310,000
Department of Health & Family Support	Advocacy (Housing)	109,798	110,000
Public Works	Graffiti Removal on Public Property	106,804	107,000
Minneapolis Urban League	Curfew/Truancy Center	103,809	104,000
Department of Health & Family Support	Child Dental Services	10,980	
Department of Health & Family Support	Block Nurse Program	65,879	
Department of Health & Family Support	Senior Services Initiative	60,888	
Department of Health & Family Support	Domestic Abuse Project	57,894	
Greater Minneapolis Day Care Association	Coordinated Child Development	300,447	
Department of Health & Family Support	Harriet Tubman Women's Shelter	40,925	
Minneapolis Park Board	Teen Teamworks	14,972	
Department of Health & Family Support	Minnesota AIDS Project	22,958	
Neighborhood Health Care Network	Community Health Clinics	260,521	
Parents in Community Action	Head Start	65,879	
Volunteers of America/MAO	Volunteers of America/MAO	79,853	
Operations and Regulatory Services	Ground Works	16,969	
Recommendation of the Public Health Advisory Committee			981,600
Total Public Service (15%)		2,445,503	2,430,600

SCHEDULE FOUR
Year 31 (2005) - Community Development Block Grant

Organization	Project	2004 Consolidated Plan	2005 Council Adopted Budget
<u>Administration---CDBG</u>			
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance	189,651	270,000
	Neighborhood Business		
Community Planning and Economic Development	Associations	173,681	-
Community Planning and Economic Development	Citizen Participation	345,365	345,000
Community Planning and Economic Development	Program Admin	74,862	75,000
Community Planning and Economic Development	Planning - Administration	1,210,773	1,230,400
Department of Health & Family Support	Neighborhood Services	161,703	107,000
Department of Health & Family Support	Grant Administration	99,816	100,000
Department of Health & Family Support	Way to Grow Administration	35,934	36,000
Department of Health & Family Support	New Arrivals	119,780	-
Finance Department	Administration	342,370	285,000
Intergovernmental Relations	Grants & Special Projects	229,579	230,000
Legal Aid Society	Legal Aid Society	48,910	49,000
Minneapolis Public Housing	Citizen Participation	97,820	98,000
Youth Coordinating Board	Administration	58,892	59,000
Fair Housing Implementation Council	Metro Fair Housing	17,967	18,000
Legal Aid Society	Housing Discrimination Law Project	79,853	80,000
Civil Rights Department	New Arrivals and Native American Advocate		175,000
Total Administration (20%)		3,286,956	3,157,400
CDBG Total of Requests (100%)		16,313,000	16,204,000
Anticipated CDBG Revenue			16,204,000
<u>Other Consolidated Plan Entitlement Funds</u>			
HOME Investment Partnerships	Community Planning and Economic Development	3,998,000	3,911,000
Emergency Shelter Grants (ESG)	Community Planning and Economic Development	576,000	601,000
Housing Opportunities for Persons with AIDS (HOPWA)	Minnesota Housing Finance Agency	839,000	834,000
American Dream Down Payment Initiative (ADDI)		228,000	228,000
Grand Total Consolidated Plan		21,954,000	21,778,000