# City of Minneapolis
# FY 2010 Budget
# Community Development Block Grant (CDBG)

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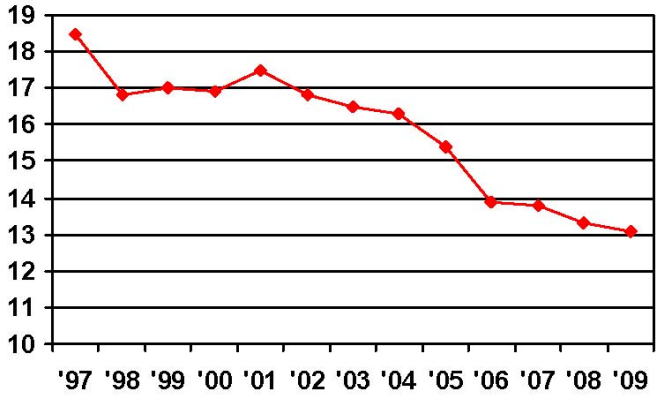
**Background**
This fund is used to account for the Federal grants received under the Community Development Block Grant (CDBG) provision authorized by Title I of the Housing and Community Development Act of 1974. Included in this entitlement are the CDBG, HOME Investment Partnerships Program (HOME), Emergency Shelter Grants Program (ESGP), and Housing Opportunities for Persons with AIDS (HOPWA). 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.

**Historical Financial Performance**
For finance and budgeting purposes, the City assumes a draw down of these funds in the year they are allocated. The programs are managed on a cost reimbursement basis and therefore 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. The graph below reflects the trend in CDBG funding for the past 12 years. After several years of declining funding levels, 2008 was the first year that had anticipated funding to remain relatively constant. The 2009 actual CDBG funds were approximately $266,000 greater than originally budgeted. For 2010, the City is anticipating an approximate 5% increase from the 2009 actual funding level.

**CDBG Entitlement 1997 -2009**



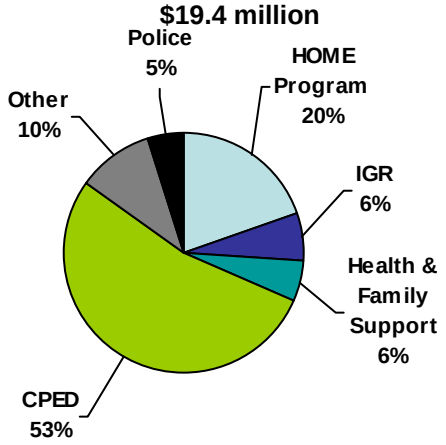

**2010 Budget**

*Revenues*
The entitlement funds estimates are budgeted based on the past relationship between national HUD appropriations and local entitlement amounts. Amounts are based on the most recent actions of Congress. Currently, it is anticipated that the City's CDBG entitlement for 2010 will be approximately 5% higher than 2009.

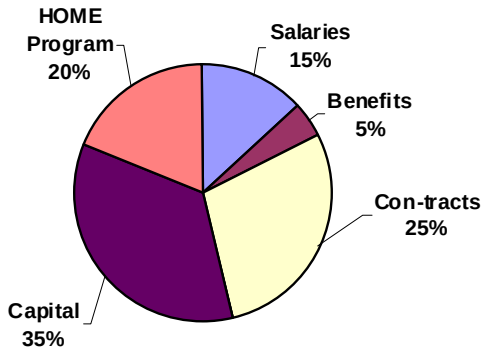
The HOME, ESGP, and HOPWA awards are anticipated to remain unchanged. Final award numbers from Congress should be available in early 2010. The HUD appropriation formula, which changed in 2002, includes variable factors based on 2000 Census information. The Census information includes population changes among all the cities within the total HUD appropriation.

*Expenditures*
The City distributes its entitlement funds received through the HUD consolidated plan to various departments to carry out program activities, and awards funds to private and public not-for-profit organizations. The graphs below reflect the distribution by department and by cost category.

**Consolidated Plan**
**Use of Funds by Department**
**$19.4 million**

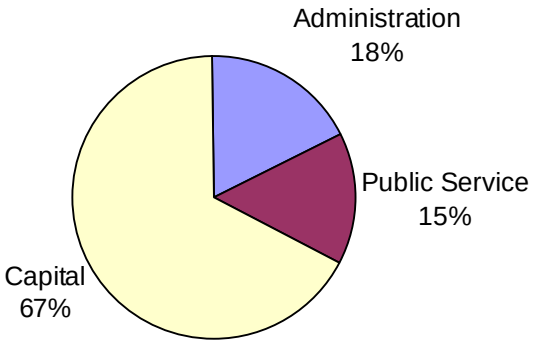



**Consolidated Plan**
**Use of Funds**
**$19.4 million**




*CDBG Allocations*
The graph to the right shows the distribution of the estimated CDBG allocation in 2010.

**CDBG**
**Use of Funds**
**$14.1 million**




The public service and administration categories have a 15% and a 20% cap, respectively. Within public service, the Mayor recommended $563,000 of public service funds for public health in the 2010 program year. The allocation is distributed to non-profit organizations based on recommendations from the Public Health Advisory Committee (PHAC) and City priorities. The PHAC recommended distributions are effective for two years. The 2010 program year ends another two year cycle and the PHAC recommendations are pending.

*Debt Service*
The CDBG entitlement is obligated over and above the current grant budgets by $5.22 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 over-obligation (which was originally $7.4 million).

**Council Adopted Budget**
The Mayor previously recommended funding two new initiatives from the Public Service category. The Department of Public Works would receive $50,000 for Community Micro Grants for Graffiti Removal and the Coordinator's Office would receive $50,000 for Homegrown Minneapolis Mini Grants. The Council eliminated the funding for these programs and reallocated these funds to further support the Mayor recommended Community Crime Prevention Specialists. In addition, funding for the existing Graffiti Removal, Mortgage

Foreclosure Prevention and You^th Are Here Buses Programs was eliminated and the Youth Employment Program was reduced to bring the total funding for the Community Crime Prevention Specialists to $717,000 from the 2010 CDBG budget.

In further support of Public Safety initiatives, the Council reduced the Public Health Advisory Recommended programs by 29% providing $163,000 for the Community Crime PreventionSpecialists program. The existing Childcare Facility Loan and the Minneapolis Public Housing General Rehabilitation programs were eliminated and the Adult Training, Placement, and Retention program reduced to provide $694,000 for Fire Personal Protective Equipment.

The Council also adopted reallocating $20,000 from the remaining Youth Employment funds to the City Attorney's Restorative Justice Programs.

## SCHEDULE FOUR
## Year 36 (2010) - Community Development Block Grant

| Organization | Project | 2009 Consolidated Plan | 2010 Council Adopted |
|---|---|---|---|
| **Capital /Other---CDBG** | | | |
| Community Planning & Economic Development | Adult Training, Placement and Retention | 511,000 | 982,000 |
| | High Density Corridor Housing | 730,000 | 730,000 |
| | Homeownership Program (GMMHC) | 334,000 | 334,000 |
| | Multi-Family/Affordable Housing | 5,715,000 | 3,703,000 |
| | NEDF/CEDF | | 1,500,000 |
| | Non-Profit Multi-Family Affordable Housing Development | 166,000 | 166,000 |
| | Vacant & Boarded Housing | 569,000 | 782,000 |
| *Subtotal CPED capital* | | *8,025,000* | *8,197,000* |
| Department of Health & Family Support | Childcare Facilities Loan/Grant | 225,000 | - |
| Minneapolis Public Housing Authority | General Rehabilitation | 219,000 | - |
| Fire Department | Personal Protective Equipment | | 694,000 |
| Regulatory Services | Lead Reduction | 125,000 | 125,000 |
| City Attorney's Office | New Problem Properties Strategy | 38,000 | 38,000 |
| Police Department | New Problem Properties Strategy | 53,000 | 53,000 |
| Regulatory Services | New Problem Properties Strategy | 348,000 | 348,000 |
| **Total Capital/Other** (65%) | | **9,033,000** | **9,455,000** |
| **Public Service---CDBG** | | | |
| Community Planning & Economic Development | Youth Employment | 458,000 | 328,000 |
| | Mortgage Foreclosure Prevention Program | 140,000 | - |
| | Advocacy (Housing) | 82,000 | - |
| City Attorney's Office | Restorative Justice Programs | | 20,000 |
| Neighborhood & Community Relations | Multicultural Affairs | 121,000 | 121,000 |
| City Coordinator-Sustainability | Homegrown Minneapolis Mini Grants | | - |
| Public Works | Graffiti Removal on Public Property | 86,000 | - |
| | Community Micro Grants for Graffiti Removal | | - |
| Police Department | Community Crime Prevention Specialists | | 717,000 |
| | CCP-SAFE | | 163,000 |
| Department of Health & Family Support | Way to Grow | 262,000 | 262,000 |
| | Curfew and Truancy Services | 100,000 | 100,000 |
| | You^th are Here buses | 51,000 | - |
| | *Public Health Advisory Recommendations* | | - |
| | Catholic Charities | 69,000 | 49,000 |
| | Minnesota International Health Volunteers | 69,000 | 49,000 |
| | Living at Home/Block Nurse Programs | 69,000 | 49,000 |
| | Southside Community Health Services | 66,000 | 47,000 |
| | Greater Mpls Council of Churches/Divisionof Indian Work | 36,000 | 26,000 |
| | Minneapolis Public Schools TAPPP | 69,000 | 49,000 |
| | Centro Cultural Chicano, Inc. | 47,000 | 33,000 |
| | Minneapolis Urban League | 69,000 | 49,000 |
| | Lao Family Community of MN | 69,000 | 49,000 |
| **Total Public Service** (15%) | | **1,863,000** | **2,111,000** |
| **Public Service - 15% Cap** | | **2,011,007** | **2,111,550** |
| **Administration---CDBG** | | | |
| Civil Rights Department | Fair Housing Initiative/Davis Bacon Compliance/Monitoring | 365,000 | 365,000 |
| Community Planning & Economic Development | Program Administration | 62,000 | - |
| | Citizen Participation | 233,000 | 233,000 |
| | Planning - Administration | 879,000 | 941,000 |
| | Legal Aid Society | 34,000 | 34,000 |
| Department of Health & Family Support | Grant Administration | 68,000 | 68,000 |
| | Neighborhood Services | 72,000 | 72,000 |
| | Way to Grow Administration | 26,000 | 26,000 |
| | Youth Violence Prevention | 121,000 | 121,000 |
| Finance Department | Program Administration | 196,000 | 196,000 |
| Intergovernmental Relations | Grants & Special Projects | 189,710 | 190,000 |
| | Legal Aid Society - Housing Discrimination Law Project | 54,000 | 54,000 |
| Neighborhood & Community Relations | Homelessness initiative | 77,000 | 77,000 |
| Minneapolis Public Housing | Citizen Participation | 68,000 | 68,000 |
| Youth Coordinating Board | Administration | 66,000 | 66,000 |
| **Total Administration** (20%) | | **2,510,710** | **2,511,000** |
| **Administration 20% cap** | | **2,681,342** | **2,815,400** |
| **CDBG Total of Requests (100%)** | | **13,406,710** | **14,077,000** |
| **Anticipated CDBG Revenue** | | **13,406,710** | **14,077,000** |

## SCHEDULE FOUR
## Year 36 (2010) - Community Development Block Grant

| Organization | Project | 2009 Consolidated Plan | 2010 Council Adopted |
|---|---|---|---|
| **Other Consolidated Plan Entitlement Funds** | | | |
| **HOME Investment Partnerships** | | | |
| Community Planning & Economic Development | Housing Programs | 3,787,361 | 3,787,000 |
| Intergovernmental Relations | Grants & Special Projects Administration | 15,000 | 15,000 |
| **Emergency Shelter Grants (ESG)** | | | |
| Community Planning & Economic Development | Emergency Shelter Grant Programs | 576,861 | 577,000 |
| Intergovernmental Relations | Grants & Special Projects Administration | 15,000 | 15,000 |
| **Housing Opportunities for Persons with AIDS (HOPWA)** | Third Party Contractors/Subrecipients/Subgrantees | 903,558 | 904,000 |
| **American Dream Down Payment Initiative (ADDI)** | Community Planning & Economic Development | - | - |
| **Grand Total Consolidated Plan** | | **18,674,490** | **19,375,000** |