

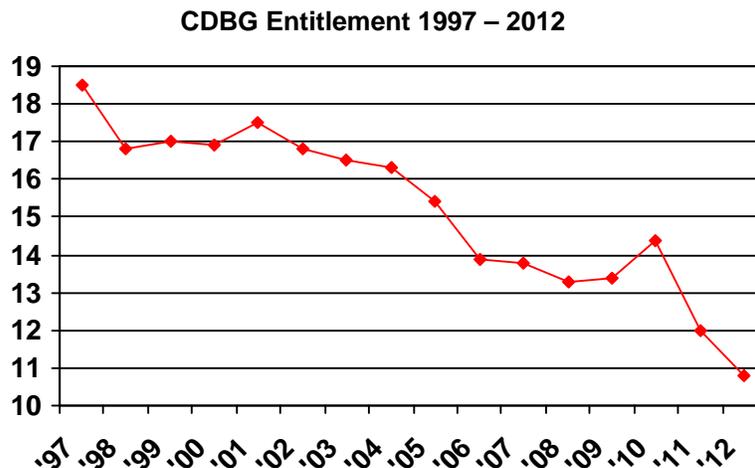
**City of Minneapolis
2012 Budget
Community Development Block Grant (CDBG)**

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 Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). Based on the City's Consolidated Plan submitted to the U.S. Department of Housing and Urban Development (HUD), 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

The Consolidated Plan funds are budgeted to coincide with the City's annual calendar year budgeting process, although the funds are not available until June 1 of each year. The programs are managed on a cost reimbursement basis and therefore the CDBG fund balance amount at any given time is the result of timing differences between entitlement grant revenue receipts and grant expenditure disbursements. The graph below reflects the trend in CDBG funding for the past 15 years. After several years of declining funding levels, 2009 and 2010 were the first years the actual funding had exceeded the anticipated funding by approximately 2%. In 2011, the City anticipated the funding to remain level with the 2010 actual funding of \$14.4 million however the actual 2011 allocation received was \$12 million reflecting a 16% reduction. The 2012 funding is estimated at \$10.8 million reflecting a 10% reduction from the 2011.



2012 Budget

Revenues

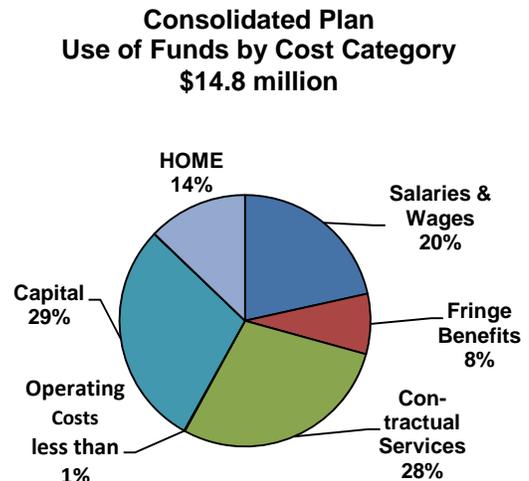
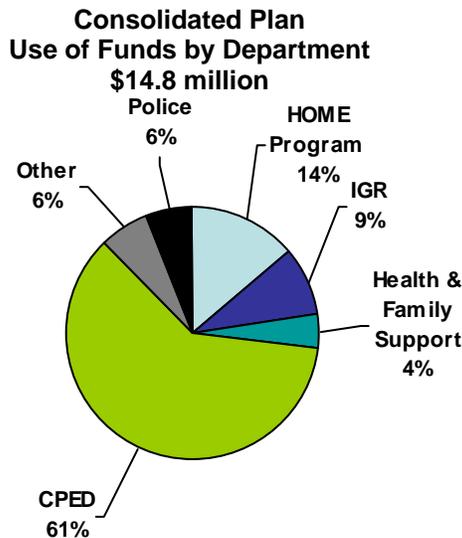
The entitlement funds drawn from HUD are budgeted based on the past relationship between national appropriations and local entitlement amounts. Amounts are based on the most recent actions of Congress.

In 2012, the HOME program is anticipated to decrease while ESG has been budgeted to reflect an increase. The HOPWA program is projected to remain approximately level with the 2011

funding. Final award numbers from Congress should be available in early 2012. The HUD appropriation formula, which changed in 2002, includes variable factors based on 2010 American Community Survey (ACS) and the 2010 Census information. The Census information includes population changes among all the cities within the total HUD appropriation.

Expenditures

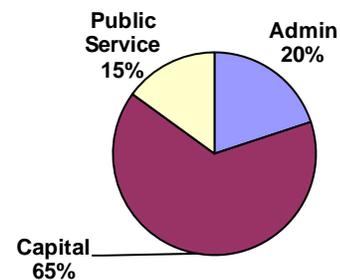
The City distributes its entitlement funds received through the HUD Consolidated Plan to various departments to carry out program activities, and awards funds to private and public not-for-profit organizations. The graphs below reflect the distribution of the budgeted Consolidated Plan by department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



CDBG Allocations

The graph to the right shows the distribution of the CDBG allocation in 2012. The public service and administration categories have a 15% and a 20% cap, respectively. In 2012, the funds were allocated to the maximum for both of these categories. There is no funding available for the Public Health Advisory Committee.

**Use CDBG
of Funds
\$10.8 million**



Debt Service

The CDBG entitlement is obligated over and above the current grant budgets by \$4.8 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's CDBG recommendations were not part of the 2012 Mayor Recommended budget. In October, when better information was available, the Mayor made recommendations. The Council modified the Mayor's recommendations to continue funding for the Domestic Abuse Project for \$60,000, Problem Properties for \$104,600 and Neighborhood Services for \$72,000. An additional \$164,601 was given to support the Multi Family Affordable Housing Program.

SCHEDULE FOUR
Year 38 (2012) - Community Development Block Grant

Organization	Project	2010 Consolidated Plan	2011 Consolidated Plan	2012 Council Adopted
<u>Capital /Other---CDBG</u>				
Community Planning & Economic Development	Adult Training, Placement and Retention	982,000	1,113,430	1,480,000
	High Density Corridor Initiative	730,000	583,669	583,669
	Homeownership Program (GMMHC)	334,000	27,185	-
	Multi-Family/Affordable Housing	4,011,189	2,727,403	2,991,876
	NEDF/CEDF (Great Streets)	1,500,000	901,088	41,000
	Commercial Property Investment			139,000
	Non-Profit Development Assistance-Affordable Housing	166,000	132,725	-
	Vacant and Boarded Building Program	782,000	1,424,791	1,599,056
Subtotal CPED capital		8,505,189	6,910,291	6,834,601
Department of Health & Family Support	Childcare Facilities Loan/Grant	-	-	-
Minneapolis Public Housing Authority	General Rehabilitation	-	-	-
Fire Department	Fire Protection Equipment	694,000	584,000	-
Regulatory Services	Lead Reduction	125,000	99,943	62,000
City Attorney's Office	New Problem Properties Strategy	38,000	30,383	-
Police Department	New Problem Properties Strategy	53,000	42,376	-
Regulatory Services	New Problem Properties Strategy	348,000	161,177	104,600
Total Capital/Other (65%)		9,763,189	7,828,170	7,001,201
<u>Public Service---CDBG</u>				
Community Planning & Economic Development	Youth Employment	328,000	253,000	253,000
	Mortgage Foreclosure Prevention Program	-	-	-
	Advocacy (Housing)	-	-	-
City Attorney's Office	Restorative Justice Programs	20,000	20,000	-
Neighborhood & Community Relations	Access & Outreach (Multicultural Affairs)	121,000	121,000	121,000
Public Works	Graffiti Removal on Public Property	-	-	-
Police Department	Community Crime Prevention Specialists	934,386	884,386	884,000
Department of Health & Family Support	Way to Grow	262,000	212,000	195,000
	Curfew and Truancy Services	100,000	100,000	100,000
	Domestic Abuse Project		75,000	60,000
	<i>Public Health Advisory Recommendations</i>	-		-
	Catholic Charities	49,000		-
	Minnesota International Health Volunteers	49,000		-
	Living at Home/Block Nurse Programs	49,000	20,437	-
	Southside Community Health Services	47,000		-
	Greater Mpls Council of Churches/Division of Indian Work	26,000		-
	Minneapolis Public Schools TAPPP	49,000	70,000	-
	Centro Cultural Chicano, Inc.	33,000		-
	Minneapolis Urban League	49,000		-
	Lao Family Community of MN	49,000		-
	Holy Rosary Church		50,000	-
Total Public Service (15%)		2,165,386	1,805,823	1,613,000
Public Service - 15% Cap		2,165,936	1,806,374	1,613,634

SCHEDULE FOUR
Year 38 (2012) - Community Development Block Grant

Organization	Project	2010 Consolidated Plan	2011 Consolidated Plan	2012 Council Adopted
<u>Administration---CDBG</u>				
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance/Monitoring	365,000	365,000	365,000
Community Planning & Economic Development	Program Administration	-	100,000	-
	Citizen Participation	233,000	-	-
	Planning - Administration	941,000	991,498	992,360
	Legal Aid Society	34,000	34,000	29,260
Department of Health & Family Support	Grant Administration	68,000	68,000	68,000
	Neighborhood Services	72,000	72,000	72,000
	Way to Grow Administration	26,000	26,000	16,000
	Youth Violence Prevention	121,000	101,000	101,000
Finance Department	Program Administration	196,000	196,000	196,000
Intergovernmental Relations	Grants & Special Projects	190,000	190,000	190,000
	Legal Aid Society - Housing Discrimination Law Project	54,000	54,000	47,740
Neighborhood & Community Relations	Homelessness initiative	77,000	77,000	-
Minneapolis Public Housing	Resident Participation	68,000	68,000	-
Youth Coordinating Board	Administration	66,000	66,000	66,000
Total Administration (20%)		2,511,000	2,408,498	2,143,360
Administration 20% cap		2,887,915	2,408,498	2,151,512
CDBG Total of Requests (100%)		14,439,575	12,042,491	10,757,561
Anticipated CDBG Revenue		14,439,575	12,042,491	10,757,561
<u>Other Consolidated Plan Entitlement Funds</u>				
HOME Investment Partnerships				
Community Planning & Economic Development	Housing Programs	3,765,884	3,327,988	2,057,652
Intergovernmental Relations	Grants & Special Projects Administration	15,000	15,000	15,000
Emergency Solutions Grant (ESG)				
Community Planning & Economic Development	Emergency Solutions Grant Programs	572,765	797,813	938,528
Intergovernmental Relations	Grants & Special Projects Administration	15,000	15,000	76,097
Housing Opportunities for Persons with AIDS (HOPWA)				
	Third Party Contractors/Subrecipients/Subgrantees	977,370	1,006,587	1,002,560
Grand Total Consolidated Plan		19,785,594	17,204,879	14,847,398