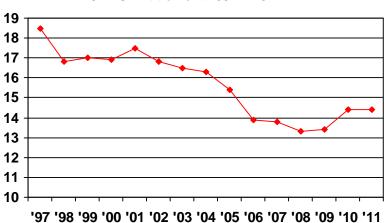
City of Minneapolis 2011 Budget Community Development Block Grant (CDBG)

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 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 13 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%. For 2011, the City is anticipating the funding to remain level with the 2010 actual funding of \$14.4 million.



CDBG Entitlement 1997 - 2011

2011 Budget

Revenues

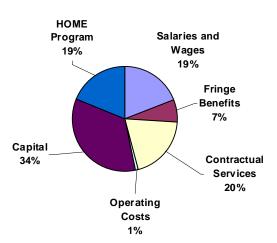
The entitlement funds drawn from HUD are budgeted based on the past relationship between national appropriations and local entitlement amounts. Amounts are based on the most recent actions of Congress.

The HOME, ESGP, and HOPWA awards are anticipated to remain unchanged. Final award numbers from Congress should be available in early 2011. 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.

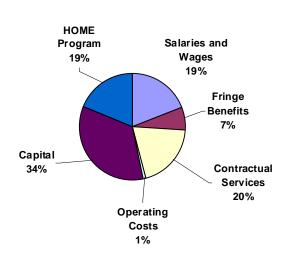
Expenditures

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.





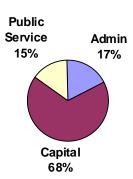
Consolidated Plan Use of Funds \$19.8 million



CDBG Allocations

The graph to the right shows the distribution of the CDBG allocation in 2011. The public service and administration categories have a 15% and a 20% cap, respectively. Within public service, there is \$400,000 of public service funds for public health in the 2011 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 2011 program year begins another two year cycle.





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 Council approved continued funding for the Community Crime Prevention Specialists for the Police Department and the Restorative Justice Programs for the City Attorney. Both of these programs were recently approved by HUD as eligible for the 2010 program year. The Council amended the Mayor's recommended budget reducing the Youth Employment and Training Program by \$75,000 and adding \$75,000 for the Domestic Abuse Project. The Council further amended the budget by shifting \$300,000 of CDBG funding from the Home Ownership Program to Vacant and Boarded Buildings.

SCHEDULE FOUR Year 37 (2011) - Community Development Block Grant

Organization <u>Capital /OtherCDBG</u>	Project	2009 Consolidated Plan	2010 Consolidated Plan	2011 Requested
Community Planning & Economic Poyelonment	Adult Training Discoment and Retention	F11 000	092.000	1 255 000
Community Planning & Economic Development	Adult Training, Placement and Retention High Density Corridor Initiative	511,000 730,000	982,000 730,000	1,255,000 730,000
	Homeownership Program (GMMHC)	334,000	334,000	34,000
	Multi-Family/Affordable Housing	5,715,000	4,011,189	3,411,189
	NEDF/CEDF (Great Streets)	, ,	1,500,000	1,127,000
	Non-Profit Development Assistance-Affordable Housing	166,000	166,000	166,000
	Vacant and Boarded Building Progam	569,000	782,000	1,782,000
Subtotal CPED capital		8,025,000	8,505,189	8,505,189
Department of Health & Family Support	Childcare Facilities Loan/Grant	225,000	-	-
Minneapolis Public Housing Authority	General Rehabilitation	219,000	-	110,000
Fire Department	Fire Protection Equipment		694,000	584,000
Regulatory Services	Lead Reduction	125,000	125,000	125,000
City Attorney's Office	New Problem Properties Strategy	38,000	38,000	38,000
Police Department Regulatory Services	New Problem Properties Strategy New Problem Properties Strategy	53,000 348,000	53,000 348,000	53,000 348,000
Total Capital/Other (65%)	Now Troblem Troporates extensely	9,033,000	9,763,189	9,763,189
Public ServiceCDBG				
Community Planning & Economic Development	Youth Employment	458,000	328,000	253,000
	Mortgage Foreclosure Prevention Program	140,000	-	-
City Attornayla Office	Advocacy (Housing)	82,000	-	-
City Attorney's Office Neighborhood & Community Relations	Restorative Justice Programs Access & Outreach (Multicultural Affairs)	121,000	20,000 121,000	20,000 121,000
Public Works	Graffiti Removal on Public Property	86,000	121,000	121,000
Police Department	Community Crime Prevention Specialists	00,000	934,386	934,386
Department of Health & Family Support	Way to Grow	262,000	262,000	262,000
	Curfew and Truancy Services	100,000	100,000	100,000
	Domestic Abuse Project			75,000
	You^th are Here buses	51,000	-	-
	Public Health Advisory Recommendations	00,000	40.000	400,000
	Catholic Charities Minnesota International Health Volunteers	69,000 69,000	49,000 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 Lao Family Community of MN	69,000 69,000	49,000 49,000	
Total Public Service (15%)	Edo Family Community of MIN	1,863,000	2,165,386	2,165,386
Public Service - 15% Cap		2,011,007	2,165,936	2,165,936
AdministrationCDBG				
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance/Monitoring	365,000	365,000	365,000
Community Planning & Economic Development	Program Administration	62,000	-	100,000
·	Citizen Participation	233,000	233,000	-
	Planning - Administration	879,000	941,000	1,045,854
B (11 H 0 E 11 O	Legal Aid Society	34,000	34,000	34,000
Department of Health & Family Support	Grant Administration Neighborhood Services	68,000 72,000	68,000 72,000	68,000 72,000
	Way to Grow Administration	26,000	26,000	26,000
	Youth Violence Prevention	121,000	121,000	121,000
Finance Department	Program Administration	196,000	196,000	196,000
City Coordinator Administration	Director of Arts	,	,	28,146
Intergovernmental Relations	Grants & Special Projects	189,710	190,000	190,000
N. I. I. 100	Legal Aid Society - Housing Discrimination Law Project	54,000	54,000	54,000
Neighborhood & Community Relations	Homelessness initiative	77,000	77,000	77,000
Minneapolis Public Housing Youth Coordinating Board	Citizen Participation Administration	68,000 66,000	68,000 66,000	68,000 66,000
Total Administration (20%)	, with the direct	2,510,710	2,511,000	2,511,000
Administration 20% cap		2,681,342	2,887,915	2,887,915
CDBG Total of Requests (100%)		13,406,710	14,439,575	14,439,575
Anticipated CDBG Revenue		13,406,710	14,439,575	14,439,575
Antioipated ODDO Nevellue		13,400,710	17,433,373	17,433,313

SCHEDULE FOUR Year 37 (2011) - Community Development Block Grant

Organization Other Consolidated Plan Entitlement Funds	Project	2009 Consolidated Plan	2010 Consolidated Plan	2011 Requested
HOME Investment Partnerships				
Community Planning & Economic Development Intergovernmental Relations	Housing Programs Grants & Special Projects Administration	3,787,361 15,000	3,765,884 15,000	3,765,884 15,000
Emergency Shelter Grants (ESG)				
Community Planning & Economic Development Intergovernmental Relations	Emergency Shelter Grant Programs Grants & Special Projects Administration	576,861 15,000	572,765 15,000	572,765 15,000
Housing Opportunities for Persons with AIDS (HOPWA)	Third Party Contractors/Subrecipients/Subgrantees	903,558	977,370	977,370
Grand Total Consolidated Plan		18,704,490	19,785,594	19,785,594