

2019-2020 Update to the 2015-2020

CONSOLIDATED PLAN

PUBLIC HEARING #2

JUNE 17, 2019



Year 5

How much money is involved?

For Program Year 2019 – 2020, HUD is allocating to Lima:

\$1,031,226 in CDBG funds

(a decrease of \$1,780 or 0.17% from the 2018 – 2019 allocation)

\$293,299 in HOME funds

(a decrease of \$48,143 or 14.09% from the 2018 – 2019 allocation)

The total allocation for Lima for 2019 – 2020 has decreased by \$49,923, or 3.63%, over the 2018 – 2019 funding level

2019 – 2020 Beginning Balance

(estimated)

Oct 2019 - Sept 2020
(HUD allocation with estimated carryover and PI)

New Allocation	+	Carryover	+	Program Income (PI)	+	Recaptured HOME	=	Estimated Beginning Balance
CDBG: \$1,031,226	+	\$408,506	+	\$10,000	=		=	\$1,449,732
HOME \$293,299	+	\$327,368	+	\$60,000	+	\$18,952	=	\$699,619

Total Beginning Balance = \$ 2,149,351

*Estimated Beginning Balance increased by 13% overall;
 16.5% increase for CDBG; 6.4% increase for HOME*

(Discrepancies in addition of numbers due to rounding)

Estimated Beginning Balance

2019-20	New Funds	Carryover	Program Income	Recapture (HOME)	Total
CDBG	\$1,031,226	\$408,506	\$10,000		\$1,449,732
HOME	\$293,299	\$327,368	\$60,000	\$18,952	\$699,619
TOTAL	\$1,324,525	\$657,246	\$70,000	\$18,952	\$2,149,351

	2019-2020	2018-19	Increase/(Decrease)	% Increase/(Decrease)
CDBG	\$1,449,732	\$1,243,672	\$187,554	16.5%
HOME	\$ 699,619	\$ 657,246	\$119,995	6.4%
TOTAL	\$2,149,351	\$1,900,918	\$67,559	13%

FIGURES ARE ESTIMATED AND SUBJECT TO CHANGE

HUD Restrictions on Distribution

HUD restricts funding allocations by establishing caps or minimums for certain uses:

- No more than 20% for Administration (CDBG)
- No more than 15% expended during Plan Year for Public Services (CDBG)
- No more than 10% of allocation plus estimated PI for HOME Administration (HOME)
- No more than 5% for CHDO Operations (HOME)
- At least 15% for CHDO Development (this set-aside is MANDATORY for HOME funds)

Other HUD Requirements

HUD funding comes with conditions to be considered when planning

- In addition to annual reporting, HUD requires extensive reporting and record keeping for funds provided, including:
 - Quarterly reports on activity progress
 - Quarterly reports on financial drawdowns
 - Environmental reports on each project
 - Monitoring HUD homes for the length of the loan
 - Record retention for HUD audits

HUD funds mandated requirements through administrative allowances. The cost of staff time, equipment, and supplies required for proper maintenance of grant funds is paid with administrative allocations.

CDBG Proposals Received

CDBG: \$1,031,226 + \$408,506 + \$10,000 = **\$1,449,732**

14 proposals received requesting **\$3,663,828**

Police Services	\$ 56,591	Street Repair	\$ 948,600
Emergency Repair	\$ 100,000	Parks Improvement	\$ 494,333
Housing Rehab	\$ 75,000	Demolition	\$ 1,175,000
Rhodes	\$ 7,000	Neighborhood Support	\$ 130,000
Bradfield Center	\$ 59,199	Housing Counseling	\$ 25,200
Property Maint.	\$ 245,000	Fair Housing	\$ 25,000
CDBG Admin (20%)	\$ 255,975	Startup Lab	\$ 66,930

REQUESTS EXCEED FUNDING BY: \$2,214,096

CDBG Public Service Projects

Public Service Cap (estimated using 15% of new funds + PI) = **\$156,184**

5 Public Service Projects Proposed

Police Services	\$	56,591
Housing Counseling	\$	25,200
Bradfield Center	\$	59,199

(Public Service but not subject to cap)

Rhodes	\$	7,000
Startup Lab	\$	66,930

**Requested Funding Total (subject to cap) =
\$140,990**

Available Funding Total (15% + PI) = \$156,184

**ESTIMATED FUNDING EXCEEDS REQUEST BY:
\$15,194**

HOME Proposals Received

HOME: \$293,299 + \$327,368 + \$60,000 + \$18,952 = **\$699,619**

5 Proposals Received = \$492,665

CHDO Set-Aside (min. 15%)	\$ 175,000
CHDO Operating (max. 5%)	\$ 14,665
HOME Administration (10%)	\$ 45,000
First Home Lima (up to 16 homes)	\$ 108,000
HOME Update (up to 9 homes)	\$ 150,000

**Requested Funding Total =
\$492,665**

**Available Funding Total =
\$699,619**

**FUNDING EXCEEDS REQUESTS BY:
\$206,954**

**Carryover & PI are estimated and subject to change*

Proposed 2019 – 2020 Plan

19 proposals received in 2019 – 2020

HOME = \$492,665 (vs. \$699,619 estimated available)

CDBG = \$3,663,828 (vs. \$1,449,732 estimated available)

TOTAL = \$4,156,493 (vs. \$2,149,351 estimated available)

UNFUNDED (CDBG Only) = \$2,214,096
due to lack of funds

Proposed 2019 – 2020 Allocations

HOME		Requested	Estimated Carry-over	Proposed Allocation	Estimated Beginning Balance for 19-20	Estimated Beginning Balance for 18-19
CHDO Operating (max. of 5% of new HOME funds)		\$14,665	\$0	\$14,665	\$14,665	\$0
CHDO Set-aside (min. of 15% of new HOME funds)		\$175,000	\$51,216	\$138,784	\$190,000	\$51,216
First Home Lima	up to 16	\$108,000	\$60,632	\$100,800	\$161,432	\$175,608
Home Update	up to 6	\$150,000	\$116,721	\$82,672	\$199,393	\$137,515
43 Town Square		N/A	\$89,582	\$0	\$89,582	\$250,000
HOME Administration (10% of new HOME funds and PI)		\$45,000	\$9,217	\$35,330	\$44,547	\$42,907
	includes PM Training					
T o t a l (HOME)		\$492,665	\$327,368	\$372,251	\$699,619	\$657,246
CDBG		Requested	Estimated Carry-over	Proposed Allocation	Estimated Beginning Balance for 19-20	Estimated Beginning Balance for 18-19
Housing Rehab (services)		\$75,000	\$2,431	\$70,000	\$72,431	\$111,453
Police Support Services Program		\$56,591	\$15,793	\$49,000	\$64,793	\$48,265
Neighborhood Assistance		\$130,000	\$44,618	\$81,096	\$125,714	\$101,486
Property Maintenance		\$245,000	\$65,467	\$175,000	\$240,467	\$244,075
Demolition		\$1,175,000	\$22,318	\$90,000	\$112,318	\$155,129
Street/Curb Reconstruction		\$948,600	\$159,351	\$175,000	\$334,351	\$185,000
Park Improvements		\$494,333	\$0	\$20,000	\$20,000	\$20,000
Career Pathway in Adv Mfg. (Rhodes)		\$7,000	\$1,636	\$7,000	\$8,636	\$7,000
Urban Impact Ohio/WOCAP		\$66,929	\$0	\$30,000	\$30,000	\$30,000
Fair Housing (WOCAP)		\$25,000	\$18,607	\$25,000	\$43,607	\$25,000
Housing Counseling (WOCAP)		\$25,200	\$585	\$25,200	\$25,785	\$25,200
Bradfield Center		\$59,199	\$7,699	\$61,930	\$69,629	\$64,802
Emergency Repairs		\$100,000	\$0	\$50,000	\$50,000	\$50,000
CDBG Administration (20% of new funds and PI)		\$255,975	\$70,000	\$182,000	\$252,000	\$216,262
T o t a l (CDBG)		\$3,663,827	\$408,506	\$1,041,226	\$1,449,732	\$1,283,672
TOTALS FOR HOME and CDBG		\$4,156,492	\$735,874	\$1,413,477	\$2,149,351	\$1,940,918

Estimated Carry-over

What is the purpose of the “Estimated Carry-over?”

- We must use **estimated** figures in order to plan this budget for the coming year (October 1, 2019 – September 30, 2020.)
- In order for us to determine a reasonable allocation amount from the new CDBG and HOME allocations, we want to take into account the possible funds that will be carried over from the previous year.

Why don't you know the real dollar amount for the carry-over?

- Since it is June 2019 and the current year does not end until September 30, 2019, we do not know exactly how much money will possibly be unused by September 30, 2019 and “carried over” for each activity. We can only make projected estimates using experience and the best information we have today.
- During the next three months, expenses will be incurred for each activity, and we do not know exactly how much those expenses will be.

Estimated Carry-over

Don't you just give everyone the money they asked for?

- No. CDBG and HOME are reimbursement grants. We do not give anyone money up front for costs. Vendors and City offices submit invoices after incurring costs. DCD then draws down the money from HUD, and then reimburses the vendor or recipient of grant funds.

Why do you say you need to have some carry-over?

- Invoices for expenses incurred later in the plan year may be submitted to DCD later, after we have already started the new plan year. If there is no money “carried over” there will be no money to pay those invoices.
- The federal government (HUD) doesn't necessarily make the money available right away. For example, even though our current plan year started on October 1, 2018, we couldn't access any of the CDBG or HOME money for the year October 1, 2018 through September 30, 2019 until December of 2018.
- Some of the money might be reserved for an activity that will take place later. For example, the street resurfacing program starts later in the year, so we will need money available to pay for the project when we get the invoices later.

Please Attend and Participate

June	10	PUBLIC HEARING #1 – Proposed Allocations EDC Committee City Council Chambers – 5:30 PM
June	17	PUBLIC HEARING #2 and Review of Projects and Proposed Allocations COUNCIL OF THE WHOLE City Council Chambers – 7:00 PM
July	1	PUBLIC HEARING #3 – Review of Final Allocations / Presentation of Ordinance to Council for Approval City Council Chambers – 7:00 PM
July	22	Council Meeting – Approval of Final Allocations Council Chambers – 7:00 PM