

BUDGET SUMMARY **COMMUNITY DEVELOPMENT REVOLVING LOAN PROGRAM**

CD REVOLVING LOAN PROG	2013 BUDGETED (CURRENT)	2013 ESTIMATED	2014 BUDGET
EXPENDITURES	\$6,050	\$975	\$6,050
TOTAL		\$975	\$6,050

The Community Development Revolving Loan (RLF) Program has been in existence since 1983. Through FY 2012, the RLF was part of the CD Grants Division. As part of the FY 2013 Budget process, budgeting for administration of the Revolving Loan Program and the Community Development Block Grant program have been separated. Specifically, the budget detail associated with the RLF Program is discussed within this chapter. However, budget details and performance measures related to the City’s Community Development Block Grant (CDBG) and Emergency Grant Programs are contained within the Administration / City Manager portion of the budget.

The City’s RLF Program was initially capitalized with \$500,000 in CDBG funds. The purpose of the loan program is to support housing, social service agency, and economic development projects, which benefit low and moderate income persons.

As of February 2013, the RLF Program had approximately 39 active loans totaling \$1,511,118, as well as \$264,700 on hand and immediately available to lend. Annual principal and interest payments to the loan fund total approximately \$148,919 per year, of which approximately \$25,000 is interest.

In addition to loans, the program also makes emergency grants to destitute property owners on a case-by-case basis to address urgent “life safety” and code issues at their personal residences. To qualify, property owners must generally earn less than 50% of the area median household income, have no assets, and be unable to qualify for loans or other assistance from other non-City organizations. Grants are secured via a lien on the home owner’s property for a certain period of time known as the “compliance period.” In the event the property owner sells the real estate before expiration of the compliance period, the home owner must refund a prorated amount of the grant to the City. As of March 1, 2013, the RLF Program had approximately \$32,290 on hand for emergency grants.

Loan and emergency grant applications are reviewed and approved by the City’s Community Development Advisory Committee (CDAC).

The RLF Program (including the emergency grant program) is self-supported and is separate from the City’s General Fund. However, the fund is administered by City staff supported by the General Fund.

COMMUNITY DEVELOPMENT REVOLVING LOAN PROGRAM PROGRAM HIGHLIGHTS

<u>SERVICE INDICATORS</u>	Actual <u>2011</u>	Actual <u>2012</u>	Estimated <u>2013</u>	Projected <u>2014</u>
Number of RLF Applications Received	3	7	2	3
Number of RLF Loans Underwritten & Closed	3	6	3	3
RLF Dollars Loaned	\$17,970	\$450,300	\$174,850	\$30,000
Number of Revolving Loan Fund (RLF) Loans in Default	9	8	7	5
Number Emergency Grants Awarded	1	2	1	0
Total Emergency Grant Dollars Awarded	\$655	\$4,050	\$15,000	\$5,000

2014 GOALS

1. Continue marketing efforts for the City's RLF Program with the goal of making at least three (3) new loans totaling \$30,000 combined.
2. Continue to provide emergency grants on a case-by-case basis to qualifying home owners for urgent repairs to their dwellings.

2013 GOALS STATUS

1. Continue marketing efforts for the City's Revolving Loan Program (RLF) with the goal of making at least six new loans totaling at least \$60,000.
9-Month Status: As of March 1, 2013, the program had closed two loan applications totaling \$24,850. These loans were made to support renovations of a daycare, as well as window replacement at a private residence. In addition, a prospective application for \$150,000 to support a downtown development project was in process and expected to close prior to the end of the fiscal year.

BUDGET DETAIL **COMMUNITY DEVELOPMENT
REVOLVING LOAN PROGRAM**

	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGETED	2013 ESTIMATED	2014 BUDGET
APPROPRIATIONS						
OUTSIDE SERVICES	\$0	\$0	\$0	\$5,550	\$475	\$5,550
SUPPLIES	\$0	\$0	\$0	\$500	\$500	\$500
Total	\$0	\$0	\$0	\$6,050	\$975	\$6,050

<u>POSITION TITLE</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Community Development Specialist	0.15	*0.0	0.0	0.0

* During FY 2009, the City discontinued the Community Development Grant Specialist position and hired an independent contractor to provide certain services to support the Division. The City later terminated its contract with the independent Contractor in early FY2012. Since FY2012 the Division has been staffed by the City's Assistant for Special Projects (budgeted within the City Manager's Office), as well as the Community Development Department's Administrative Assistant, as budgeted within the Community Development Department's Administration Division.

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REVOLVING LOAN PROGRAM**

FUNDING IMPACT

This budget contains no significant funding changes.