

BUDGET SUMMARY **COMMUNITY DEVELOPMENT REVOLVING LOAN PROGRAM**

CD REVOLVING LOAN PROG	2014 BUDGETED (CURRENT)	2014 ESTIMATED	2015 BUDGET
EXPENDITURES	\$6,050	\$5,025	\$5,850
TOTAL		\$5,025	\$5,850

The Community Development Revolving Loan (RLF) Program has been in existence since 1984. 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. 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 Community Development Block Grant (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 38 active loans totaling \$1,491,747, with a balance of \$931,000 outstanding. Currently, annual principal and interest payments to the loan fund total approximately \$121,500 per year, of which approximately \$25,700 is interest. However, this figure fluctuates as current loans are paid off and new loans are originated.

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.

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>2012</u>	Actual <u>2013</u>	Estimated <u>2014</u>	Projected <u>2015</u>
Number of RLF Applications Received	7	2	4	3
Number of RLF Loans Underwritten & Closed	6	2	4	3
RLF Dollars Loaned	\$446,150	\$173,000	\$34,015	\$30,000
Number of Revolving Loan Fund (RLF) Loans in Default	8	6	8	4
Number Emergency Grants Awarded	2	1	0	1
Total Emergency Grant Dollars Awarded	\$4,050	\$12,213	\$0	\$5,000

2015 GOALS

1. Continue marketing efforts for the City's Revolving Loan Fund Program with the goal of making at least three 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.
3. Continue implementation of the portfolio management software program for the Revolving Loan Fund.
4. Continue efforts to bring all delinquent loans current.
5. Review the Revolving Loan Program's Program Income Reuse Plan (PIRP).

2014 GOALS STATUS

1. Continue marketing efforts for the City's Revolving Loan Fund Program with the goal of making at least three new loans totaling \$30,000 combined.
9-Month Status: As of March 31, 2014, the Program had closed four new loans totaling \$34,015, thereby achieving the FY 2014 goal.
2. Continue to provide emergency grants on a case-by-case basis to qualifying home owners for urgent repairs to their dwellings.
9-Month Status: As of March 31, 2014, no emergency grants had been awarded for the 2014 fiscal year.

BUDGET DETAIL **COMMUNITY DEVELOPMENT
REVOLVING LOAN PROGRAM**

	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 BUDGETED	2014 ESTIMATED	2015 BUDGET
APPROPRIATIONS						
OUTSIDE SERVICES	\$0	\$0	\$8,510	\$5,550	\$4,925	\$5,650
SUPPLIES	\$0	\$0	\$0	\$500	\$100	\$200
Total	\$0	\$0	\$8,510	\$6,050	\$5,025	\$5,850

**COMMUNITY DEVELOPMENT
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FUNDING IMPACT

This budget contains no significant funding changes.