

## CDBG Overview

### Summary:

For over 40 years, the Community Development Block Grant (CDBG) program has been issued to local communities and states through the federal Department of Housing and Urban Development (HUD). This program funding is utilized by the City and County of Denver (CCD) for programs and services, the creation of jobs, and providing and maintaining housing for low and moderate income families and persons. Historically and presently, Denver Economic Development and Opportunity (DEDO) has managed and disbursed the city’s CDBG funds across a wide variety of allowable projects. The monies are typically deployed among three divisions within DEDO: NEST/Neighborhoods, Business Development, and Housing Stability (HOST) which became its own City Agency in late 2019.

### Funding:

CDBG funding is provided to CCD by direct annual allocation from the federal government (Discretionary funding based on a national formula) as well as repayments from loan proceeds provided to non-profits and for-profit businesses and entities – also known as program income.

A history of CDBG annual allocation funding and program income can be found below.

Year	CDBG Annual Allocation	CDBG Program Income	Total Funds
2015	\$6,687,320	8,454,505.99	\$15,141,825.99
2016	\$6,531,090	4,850,303.89	\$11,381,393.89
2017	\$6,602,257	4,309,936.37	\$10,912,193.37
2018	\$6,859,369	3,021,521.01	\$9,880,890.01
2019	\$6,796,880	5,919,239.59	\$12,716,119.59

Direct funding announcements from HUD generally start around April of the fiscal year, but the Award documents and receipt of funding usually does not come until August/September.

DEDO’s Program year runs from January 1<sup>st</sup> to December 31<sup>st</sup>. DEDO is in the process of researching the benefits of changing to a program year that more closely follows the timing of the funding. However, that decision has not yet been made.

### Request:

DEDO requests \$2.5M in advanced CDBG Budget Allocation on January 1, 2020 to help alleviate funding challenges due to the delayed timing of HUD’s CDBG award. We would like to request funding ahead of our award based on language set forth in Fiscal Rule \_\_\_\_\_. We are requesting this funding at 1) less than 50% of the program income estimated and expected by CCD contracts through our business lending practices and 2) less than 50% of the average annual CDBG award provided in the past 5 years. DEDO anticipates little to no risk with this request as we do not anticipate CDBG funding to be cut substantially or totally in 2020. DEDO also has anticipated, contractually obligated program income in 2020 that could cover this amount should HUD funding cease.