

FUNDING AVAILABILITY

Funding for the activities proposed in this Action Plan would come from a number of sources. The uses to which the funds can be applied vary based on the funding source. The funding availability summarized below represents the total City/Agency dollars identified for city-wide housing projects. To the extent that the funds are applied in the Parkview Neighborhood, they would not be available to other neighborhoods in the City. A table depicting the proposed funding sources for the Action Plan projects is attached as Exhibit C.

▶ **CDBG – \$440,000 (Revolving Loan Funds)**

These funds are derived from repayment of rehabilitation loans and can be used for land acquisition and pre-development costs, both owner occupied and rental; rehabilitation of both owner-occupied and rental units; and for infrastructure. Funds cannot be used for new construction and must be used for low-income benefit and, to a limited extent, for elimination of slums and blight. Average annual revenue is \$150,000.

▶ **HOME – (Current Allocation)**

The City applies for funding through the State on an annual basis identifying the use to which the funds will be applied. Average annual revenue is approximately \$1,000,000. Of the current allocation, \$476,000 must be used for downpayment assistance for first-time homebuyers and the remaining \$600,000 can be used for acquisition and rehabilitation of rental properties only. The funds could also be used for relocation assistance in conjunction with a rental rehabilitation project, but the current allocation cannot be used for new construction. Funds can be used for low-income benefit only targeted at 60% or less of median.

▶ **HOME – Approximately \$1,500,000 (2001 Allocation)**

As noted above, the City applies for funding through the State on an annual basis. Funds are awarded on a Statewide competitive basis, and the City must specify how the funds will be used at the time of application. HOME funds can be used for a wide range of affordable housing activities for low- and very-low-income families, including rehabilitation, new construction, acquisition for homeownership and rental housing, and tenant-based rental assistance.

▶ **HOME Program Income – \$100,000**

These funds are derived from the repayment of rehabilitation loans and can be used for any activity that is “HOME eligible.” Average annual revenue is \$40,000.

▶ **Agency Housing Set-Aside Funds – \$2.6 million (currently available)**

The Agency is required to utilize 20 percent of its tax increment revenue for affordable housing purposes. Activities that can be funded include pre-development costs, land acquisition, site clearance, new construction, rehabilitation, relocation, direct rental assistance, downpayment assistance to first-time homebuyers, and infrastructure, under specific circumstances. Funds can be used for up to moderate-income benefit or 120% of median. Average annual gross revenue is \$1.3 million.

▶ **Bond Proceeds - Potential \$8.5 million**

Should the Agency proceed with issuing a bond secured by Housing Set-Aside funds, it is anticipated that approximately \$8.5 million would be netted from a \$10 million bond issuance after deducting costs. These funds would then be available for affordable housing purposes in Parkview or other focus neighborhoods.