

July 2021

Proposed Amendments to Community Development Block Grant Funded Activities in Annual Action Plans for Program Years (PY)/City Fiscal Years (CFY) 2021/2022; 2020/2021; 2019/2020; 2018/2019; 2016/2017; 2015/2016 and 2014/2015.

The City of Baltimore's Department of Housing and Community Development (DHCD) is proposing to amend the above identified Annual Action Plans. These amendments adjust funding for existing projects to ensure older funds nearing their expiration date are expended and repurposes unspent Community Development Block Grant (CDBG) funds. These funds are unspent because projects and activities were completed and did not use their entire entitlement allocation, or a portion of these allocations were offset by program income earned by the CDBG program. The amendments reallocate funds to existing CDBG projects and activities while using older funds.

The funding associated with PY 2014 (CFY 2015) are the last CDBG moneys which were accounted for using First-in First-out (FIFO) accounting. Also known as Pre-2015 funds, they are an aggregate of unspent funds from older program years all of which are grouped as PY 2014 funds. None of the Pre-2015 funds (PY 2014) in this amendment are from PY 2014 but are unspent funds from earlier program years. They are from completed activities with unspent funds which were not used primarily due to costs being offset by program income.

1. DHCD – Direct Home Ownership Assistance Program Capital PY 2021. CFY 2022.

The Direct Home Ownership Assistance Program provides qualified home buyers \$5,000 toward closing cost expenses. To qualify for assistance borrowers must be first-time home-buyers(s); occupy the property as their primary residence; have household income 80% or less of area median as set annually by the U.S. Department of Housing and Urban Development; complete homeownership counseling and receive a certificate of completion from a City approved housing counseling agency and must contribute a minimum of \$1,000 towards purchase.

Increase funding by \$316,555.06 from \$550,000 to \$866,555.06 using \$260,000 in PY 2016 funds from St. Francis Neighborhood Center IDIS activity # 8466 and \$56,555.06 in PY 2015 funds from Mayor's Office of Human Services Community Action Centers IDIS # 7901.

2. DHCD – Deferred Loan Program. PY 2021. CFY 2022.

The Deferred Loan Program provides below market-rate rehabilitation loans to low-income homeowners whose properties are in critical need of repair. The homeowner makes no monthly payments, and all payments are deferred until after the sale, refinance or transfer of title to the property. Typical repairs qualifying for this assistance include but are not limited to furnace, electrical, and plumbing repair, and accessibility improvements.

Increase funding by \$260,000 from \$779,130 to \$1,039,130 using PY 2016 funds from St. Francis Neighborhood Center renovation funds from IDIS activity # 8466

3. DHCD – Office of Rehabilitation Services Administration. PY 2021. CFY 2022.

Activity delivery costs associated with providing rehabilitation services to low-income homeowners whose properties need critical repairs. Services include project intake and underwriting, work write ups and construction specifications, construction inspections, contractor payment processing and general program administration. The Office of Rehabilitation Services also manages the Emergency Roof Repair and Deferred Loan Programs which provide capital funding for some of the rehabilitation projects it oversees.

Increase funding by \$312,177.90 from \$757,000 to \$1,069,177.90 using PY 2015 funds for Clearance and Demolition from IDIS activity # 8850.

4. Clearance and Demolition. IDIS # 8850. PY 2020, CFY 2021.

Funds to assist with the demolition of properties to eliminate conditions of blight and physical decay in low- and moderate-income residential areas in Baltimore City.

Reduce by \$312,177.90 to \$1,687,822.10 in PY 2015 funds.

Increase by \$312,177.90 to \$2,000,000 using Pre-2015 (PY 2014) funds.

5. EBDI Section 108 Loan Repayment 2020 Amendment. IDIS Activity # 8836. PY 2019, CFY 2020.

Funds for the scheduled CFY 2022 principal and interest payment on the \$21,200,000 Section 108 loan from the U.S. Department of Housing and Urban Development used for activities associated with the acquisition of properties to create the commercial and residential redevelopment sites that make up Phase 1 of the East Baltimore Development Initiative (EBDI) project.

Increase funding by \$1,311,876.05 from \$0 to \$1,311,876.05 using Pre-2015 (PY 2014) funds.

6. St. Francis Neighborhood Center. IDIS # 8466. PY 2016, CFY 2017

Funds for the renovations of the St. Francis Neighborhood Center located at 2405 Linden Avenue in the Reservoir Hill neighborhood of Baltimore City. CDBG funds will be used to support a portion of the hard construction costs of life-safety renovations to the existing Center and to for the construction of an addition.

Reduce by \$260,000 to \$40,000 in PY 2016 funds.

Reduce by \$260,000 to \$40,000 in PY 2018 funds.

Increase by \$520,000 to \$720,000 using Pre-2015 (PY 2014) funds.

7. Mayor's Office of Human Services Community Action Centers. IDIS # 7901. PY 2015, CFY 2016.

Funds supported the operations of five Community Action Centers during city fiscal year 2016. Activity was completed and closed out in 2017. Of the entitlement allocation of \$877,583 a total of \$577,992.41 was spent. \$203,863.06 in CDBG program income was applied to this activity which offset expenditure of entitlement funds. Prior amendments reallocated most of the \$299,590.59 (total of unexpended entitlement allocation and entitlement offset by program income) returned to the CDBG line of credit when IDIS activity # 7901 was closed. The remaining \$56,555.06 being reallocated from this activity is the last of the funds returned to the line of credit.

Decrease by \$56,555.06 to \$0 in PY 2015 funds.