

Community Development and Neighborhood Conservation Department

Recommended department operating expenditures, revenues, operating transfers and FTEs:

Community Development and Neighborhood Conservation Department General Fund	FY 17/18 ADOPTED BUDGET	FY 18/19 RECOMMENDED BUDGET	PERCENT CHANGE
Expenditure:			
Personnel Services	\$833,092	\$951,164	14.2%
Operating Expenditures	267,518	340,699	27.4%
Outside Agencies	3,427,535	3,458,535	0.9%
Expenditure Total	\$4,528,145	\$4,750,398	4.9%
Revenue:			
Miscellaneous Revenue	\$11,200	\$11,210	0.1%
Revenue Total	\$11,200	\$11,210	0.1%
Operating Transfers:			
Transfers Out	\$77,502	\$49,412	-36.2%
Transfers In	-	-	-
Community Development and Neighborhood Conservation Department FTE's	12	14.5	2.5
Community Development and Neighborhood Conservation Department Grants Fund			
Expenditure:			
Personnel Services	\$1,131,748	\$788,223	-30.4%
Operating Expenditures	334,015	281,329	-15.8%
Community Programs & Projects	6,081,248	4,944,631	-18.7%
Expenditure Total	\$7,547,011	\$6,014,183	-20.3%

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Revenue:

Federal Direct	\$5,104,957	\$4,623,463	-9.4%
Federal Pass Thru State	123,940	412,000	232.4%
Federal Pass Thru Municipality	1,776,382	1,515,000	-14.7%
Other	824,964	406,624	-50.7%
Revenue Total	\$7,830,243	\$6,957,087	-11.2%

Operating Transfers:

Transfers Out	\$1,832,319	\$1,803,644	-1.6%
Transfers In	999,821	523,056	-47.7%

Community Development Grants FTEs	14	10	-4.0
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Significant changes in the requested FY2018/19 budget versus the FY 2017/18 budget:

In summary, CDNC's budget is **46% General Funds** and **64% Grants** totaling **\$10.76 Million**.

1. General Funds

a. FTEs:

General fund staff increased by 1.5 FTE

Increase for salaries and benefits at 2.5% to General Fund calculated at \$15,488.

b. IT offset, increase in base budget by \$34,439 for respective charges and raises.

c. Rent and Office Space:

Reflects and increase in the General Fund to offset **\$64,635** of rent for the Pima County Housing Center, and a slight decrease in rent paid to Community Services, Employment and Training based on space utilization.

d. Outside Agencies Increase at \$280,040:

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An additional \$83,000 budgeted to support the following: Robles Food Bank at \$18,000; City-County Homeless Program at \$25,000; Metropolitan Education Commission at \$40,000. Contractual responsibility for three programs from other sources totaling \$197,040 include: Budget Stabilization Fund (AZ Conservation Corps at \$100,000 and Desert Survivors at \$57,040) and NRPR (Tucson Clean and Beautiful at \$40,000).

2. Grant Funds

a. **FTE reduction by 4.0:**

Recognize appropriation of staff time through an internal transfer of 1.5 FTE to CDNC General Fund budget. Recognize a transfer of remaining FTE's to other departments based upon a shift in grant responsibilities.

b. **Transfer of Grant Programs** to other County Offices:

The Grants and Data Office assumed responsibility for the **HUD Lead Grant** and the **Tohono O'odham, 12% Gaming**; the **Pay for Success Program** was assumed by the County Administrator's Office

Major programs and related services provided by the department

1. General Funds

a. **Administration:** Provide oversight and ensure contract compliance and fiscal accountability for all aspects of the department.

b. **Outside Agencies (OA):** Provides funding to non-profits, which deliver essential services considered beneficial for Pima County residents. For FY 2018-19 there are 64 agencies providing 91 programs that requested **OA** funds through a competitive RFP process.

c. **General Obligation Bond Funds:** *There are NO remaining bond funds to allocate for new projects.*

Neighborhood Reinvestment (NR): The FY 2018-19 budget has includes 2 projects that staff anticipates will be completed, expending all remaining **Neighborhood Reinvestment G.O. Bond** funds by December 2018.

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Affordable Housing Bond (AH) More than 90% of funds allocated last fiscal year have been expended and the final two **Housing Bond** projects will be completed **early in FY 2018-19**.

2. Grant Funds

- a. **Affordable Housing:** Primarily responsible for the program administration of the **HUD Home Investment Partnership Program (HOME)**, passed through the City of Tucson, budgeted at \$1.5M and effectively leveraging over \$10M in additional resources that support affordable housing.

Housing staff is responsible for the HUD required **Fair Housing** resources, counseling and training, the administration of the **Section 8 - Housing Choice Voucher Program** administration, in cooperative agreement with the City of Tucson.

Beginning in FY 2018-19, the Housing Center staff will implement a new **Tenant Based Rental Assistance** program and a new program that works with **substandard housing renovation and replacement**. The Lead Based grant, administered by the Grants and Data office is located at the Housing Center.

- b. **Community & Rural Development:** Responsible for the **HUD Community Development Block Grant (CDBG)**. CDNC conducts an annual Community Planning Application process to prioritize and recommend programs and projects that benefit qualified Pima County residents.
- c. **Neighborhood Stabilization Grants I / II:** All original grant funds to address foreclosure crisis are fully expended and have met **HUD** deadlines and requirements. Program income (PI) continues to be generated and must be used for additional eligible **NSP1/NSP2** activities, program monitoring and planning through formal executed contracts or converted to CDBG. Staff anticipate a June 30, 2018.
- d. **Home Repair & Weatherization:** Home Repair & Weatherization consists of both Pima County CDNC and agency administered efforts that directly provide various grant assistance to qualified low-income homeowners in South Tucson, Marana, Sahuarita, Oro Valley and unincorporated Pima County. Together with Pima County's non-profit partners, over 300 owner-occupied homes for eligible homeowners will be assisted.
- e. **Homeless & Special Populations:** Responsible for the consolidated administration of multiple local and federal grant resources that provide various housing and supportive services for homeless families, survivors of domestic violence and households living with **HIV/AIDS**.

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Major costs of providing programs and related services by the department

1. The **General Fund** absorbs part of employee related costs for grant programs.

Major departmental budget issues the department is facing in FY 2018/19

1. **Staff:** Increasing responsibilities for ongoing programmatic requirements including monitoring and reporting per **2 CFR 200**.
2. **Programs:** CDNC's budget includes related costs for employee staff time and effort, including potential overtime. Federal grants are stable with some minor additional funding realized with the Congressional passage of the Omnibus spending bill.

Discussion of any requests for supplemental funding over and above the base budget amount

None requested

Discussion of Issues related to FY 2018/19 budgets including Main Operating Budget, Special Programs Budgets, Grant Program Budgets, Capital Improvement Program Budgets, and Internal Service Budgets.

The completion of all NR Bond and Affordable Housing Bond projects during FY 2018-19.