Fund 1050 Community Development Block Grant Loan Advances

Agency(s): Workforce Services (prior to FY 2012 Community and Culture) *Analyst: Russell Frandsen*

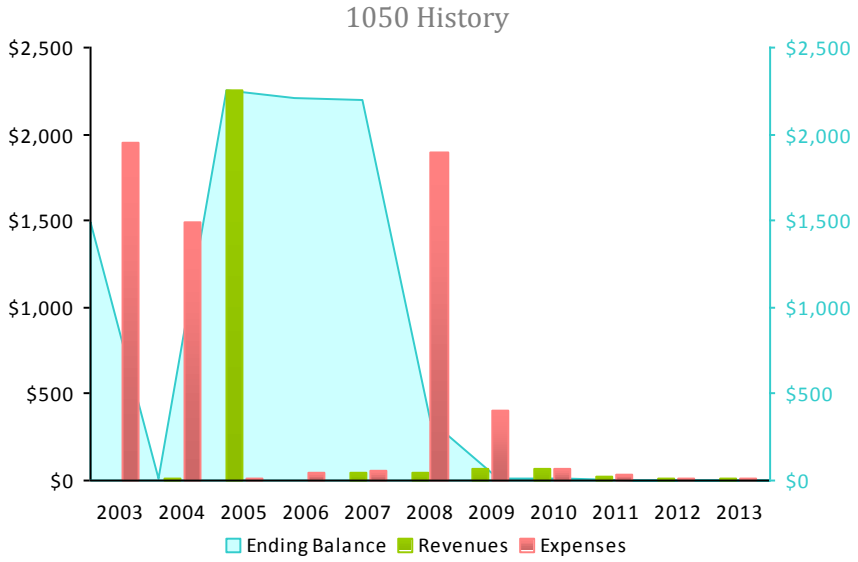
Purpose and Uses

The fund's purpose is to issue interim loans to local governments secured by federal funds drawn by the State in advance. Local governments use the interim loans from this fund until permanent local financing can be secured. The money is from the Community Development Block Grant that will eventually go to brick and mortar projects, but the federal government encourages its use in interim loans until the funding is needed.

Accountability

Section 108 of the federal Community Development Block Grant program limits the money to obtaining property and related improvements to principally benefit low-income persons. The Community Development Block Grant advisory committee must approve loans. The agency must submit an annual report to the federal Housing and Urban Development agency. The Housing and Community Development Act and the National Affordable Housing Act direct that the federal government conduct a periodic performance review of all grant recipients. As a General Fund Restricted Account, funds must be appropriated by the Legislature prior to expenditure.

No Changes Recommended



**Revenues and Expenses include Net Transfers; Dollar figures in thousands*

Graph Notes

The revenues represent loan repayments and the expenses are grants. The fund balance is loan receivables. There is a federal requirement to spend cash on hand before drawing down new funds, so expenses are incurred quickly to use the loan repayments.