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November 14, 2024

Ms. Melissa Hanson
City of Northfield
801 Washington Street
Northfield, MN 55057

RE: CDBG Fiscal Year 2025 Allocation Estimate

Dear Ms. Hanson,

Dakota County receives an annual allocation of Community Development Block Grant (CDBG) funds, which is a federal program administered by the Department of Housing and Urban Development (HUD). The program is designed to assist local governments with various community development projects and programs that primarily aid low- and moderate-income residents. Dakota County is considered an “Entitlement County”, and, as such, receives an annual allocation of federal CDBG funds. The Dakota County Board of Commissioners has chosen to allocate the CDBG funds amongst the various cities and townships in the County, as well use the funds for certain County programs. The Dakota County Community Development Agency (CDA) administers this program on behalf of Dakota County.

Each year, the city’s CDBG allocation is rebalanced to account for updated information in the American Community Survey provided by the Census Bureau for each city. Per HUD rules, the CDBG allocation is based on three factors: a community’s population, the number of people in poverty, and the number of overcrowded housing units. Each city receives a percentage of the annual Dakota County CDBG allocation based on the three factors. Because these factors change over time, the allocation each city receives will change over time.

The CDBG allocation Dakota County will receive for Program Year 2025 is not yet known and won’t be known until Congress passes and the President approves the Federal Fiscal Year 2025 federal budget. However, we believe it is prudent for each city to anticipate that the County will receive a similar amount to what was received for Program Year 2024, which was \$1,873,895.

The final Dakota County CDBG allocation affects the amount each city will receive for Program Year 2025. This amount may be more or less than what your city received for 2024. With that in mind, the estimated allocation for Northfield for Program Year 2025 is **\$54,066**

Please provide a contingency plan in your CDBG Program Year 2025 application that specifies which program(s) will receive more or less funding based on the final allocation. Please note that funding for any public service activities that the city may choose to fund with CDBG may be further reduced to ensure that the amount used for public services does not exceed 15 percent of the total Dakota County CDBG allocation.

If you have any questions, please feel free to contact me at (651) 675-4464 or mdykes@dakotacda.org.

Best Regards,
DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

A handwritten signature in black ink that reads "Margaret M. Dykes". The signature is written in a cursive, flowing style.

Margaret M. Dykes
Asst. Director of Community and Economic Development