



Legislation Text

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**DATE:** May 22, 2018

**TO:** Members of the Housing & Redevelopment Authority

**FROM:** Janine Atchison, Housing Coordinator

Community Development Block Grant (CDBG) Unspent Funds Subject to Recapture

**ACTION REQUESTED:**

Receive update on Home Matters Residential Rehabilitation Program.

**SUMMARY REPORT:**

Each year the Housing & Redevelopment Authority receives approximately \$60,000 in CDBG funds for eligible projects and initiatives through the Dakota County Community Development Agency (CDA). The funding received must be used in a timely manner or is subject to recapture by the Department of Housing & Urban Development (HUD).

By the end of 2017, the HRA had unspent dollars totaling \$31,786.13, which are subject to recapture after June 30, 2018. Upon recommendation from Staff, the HRA requested CDA to transfer the unspent funds to the Home Matters Residential Rehabilitation Program (Home Matters).

Through direct mailing outreach efforts, staff began receiving multiple applications for the program and it appeared to be the best opportunity to utilize unspent funds in Northfield. The CDA honored the HRA request and the unspent funds were moved into the Home Matters Program.

Staff is currently working with 6 families to complete rehabilitation projects. Work has already begun on two projects. Another two projects should begin work in the next 2 weeks and the final two projects are scheduled to begin work in 3 - 4 weeks. All projects should be completed before the June 30<sup>th</sup> deadline. The total costs for all 6 rehab projects is approximately \$59,000 utilizing \$39,000 in CDBG funds and \$20,000 in homeowner funds.

**ANALYSIS:**

Direct mailing to individual homeowners appears to be the key factor in fully utilizing CDBG Home Matters funding. Staff is planning additional mailings to residential homeowners in different areas of the City multiple times each year as funds are available.

**TIMELINE:**

Any unspent pre-2015 CDBG funds (currently \$31,786.13) are subject to recapture. It is anticipated that current projects will utilize \$39,000 in CDBG funds from the Home Matters Residential Rehab Program.

