



## Legislation Text

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**DATE:** April 24, 2018

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

**FROM:** Janine Atchison, Housing Coordinator

Community Development Block Grant (CDBG) Quarterly Report

**SUMMARY AND ACTION REQUESTED:**

Housing & Redevelopment Authority (HRA) to receive and review 1<sup>st</sup> quarter report of CDBG programs.

**BACKGROUND:**

The HRA is allotted approximately \$60,000 per year to use for CDBG qualified programs through the Dakota County Community Development Agency (CDA). The HRA must utilize funds in designated programs within 4 years of allotment or the funds will be recaptured by the Department of Housing & Urban Development (HUD). If allotted funds remain unused at the end of the third year after allotment, the HRA must provide the CDA with a specific plan for the utilization of the funds or the funds will be subject to transfer to another Dakota County program.

Earlier this year the HRA requested that under-utilized CDBG funds, subject to recapture on June 30 2018, be moved from the Downtown Rental Rehab Program and the Down Payment Assistance Program to the Residential Rehab (Home Matters) Program.

**Public Facilities - ADA Sidewalk**

The HRA allotted \$20,090 in 2017 funds for accessibility ramps for a sidewalk to be built at Spring St and Greenvale Ave. Greenvale Place, built in 1971, is a 96 unit low-income complex on the SE corner of the intersection. Wellstone Commons, built in 2005, is a 30 unit, low income, senior complex directly adjacent to Greenvale Place on Spring St. Both complexes are owned and operated by Common Bond Communities, a non-profit housing organization.

In winter, snow is piled up along the road edge of Greenvale and Spring St. causing children and others to walk and stand in the street to catch the bus or to cross Greenvale on their way to school. The sidewalk project was proposed to alleviate a potentially dangerous situation for seniors and small children.

The City Engineering Department provided an estimate of \$75,000 for the total project cost. However, the allotted CDBG funds can only be used for accessibility expenses which are a fraction of the total costs. There is no money budgeted to place a sidewalk at this location. The City has a precedent of only adding sidewalks when roads are being completely replaced. The City normally assesses a portion of the cost of road and sidewalk improvements to the adjacent properties based

on a benefit appraisal.

Staff made contact with the management at Greenvale Place and Wellstone Commons to discuss a possible sidewalk project. Management representatives from Common Bond Communities agreed that a sidewalk would reduce risk at the intersection. Common Bond representatives understood they would responsible would be responsible for snow removal from the sidewalk, if present. Staff inquired if Common Bond Communities was willing to pay the costs to construct the sidewalk that are not covered by CDBG funds. The City could assess those costs to the property over a 10-year period. Common Bond Management made a commitment to review the idea and determine if it would be financially feasible.

### **Residential Rehabilitation (Home Matters)**

There is a total of \$31,786 in CDBG funds allocated to the Residential Rehab program from 2013 and 2014 that are subject to recapture on June 30, 2018. In 2017, staff did extensive outreach in several neighborhoods for the residential rehab program. As a result of this outreach, 8 applications have been received. Staff has approved 3 applications to date and expects to approve additional applications soon. Work will commence as soon as the weather permits. Staff expects to utilize all unspent CDBG funds subject to recapture prior to the June 30, 2018 deadline.

### **Down Payment Assistance**

The down payment assistance (DPA) program currently shows a balance of \$35,242. The CDBG funds are enhanced with funds from a revolving loan fund. A 2<sup>nd</sup> mortgage is filed by the City of Northfield with Rice County for each DPA loan made. When a homeowner sells or refinances the property, the loan must be paid. The funds come back to the HRA, and the HRA must reimburse the funds to Dakota County CDA. The CDA maintains a “revolving loan fund” on behalf of the HRA. When the HRA makes a DPA loan, the funds are reimbursed from the revolving loan fund first.

The HRA has received 2 applications for DPA in 2018. One loan closed on March 30, which is not yet reflected in the attached fund balance report. The other applicant has not yet found an affordable home in Northfield.

### **Downtown Rental Rehab**

Staff successfully completed the first rental rehab grant in early January. An information flyer is being developed for a special mailing to all rental property owners.

### **RECOMMENDATION:**

No recommendations at this time.