



Legislation Text

File #: HRA M2019-001, **Version:** 1

DATE: January 10, 2019

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

2019 Community Development Block Grant Application

SUMMARY AND ACTION REQUESTED:

The Housing & Redevelopment Authority (HRA) to review and determine the 2019 Fiscal Year (FY) application for Community Development Block Grant (CDBG).

BACKGROUND:

At their December 18, 2018, meeting, the HRA decided to utilize 2019 CDBG Funds as follows:

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|--|-------------|
| • Manufactured Home Repair | \$23,352.00 |
| • Manufactured Home Demolition and Clearance | \$20,000.00 |
| • Manufactured Home Down Payment Assistance | \$20,000.00 |

At the same meeting, a resolution was adopted by the HRA to be included with the 2019 application.

Staff recently learned that CDBG funds cannot be utilized for down payment assistance to purchase manufactured homes unless the manufactured home is permanently placed on a foundation on land owned by the purchaser.

ANALYSIS:

The HRA intended to utilize the down payment assistance program to purchase manufactured homes for residents of Viking Terrace Manufactured Home Park. Since the manufactured home buyer receiving down payment assistance would place the home on a lot owned by Viking Terrace, it is not eligible for CDBG funds. Northfield zoning rules would prohibit placing a manufactured home on a single lot.

The entire CDBG application could be rejected the Dakota County Community Development Authority (CDA) because down payment assistance for manufactured housing in a manufactured home park is not an eligible use.

OPTIONS:

The HRA could increase the request for 2019 CDBG funds to allow \$40,000 for manufactured home demolition and clearance. The number of households the HRA would be able to assist would increase from 2 households to 4 household in Viking Terrace.

Currently the demolition and clearance program is intended to occur at Viking Terrace. However, in the future, the program could be expanded to include Forella's Manufactured Home Park, if needed to expend funds

according to HUD guidelines.

RECOMMENDATION:

Staff recommends the HRA consider allocating 2019 CDBG funds as follows:

\$23,352 for Manufactured Home Rehab Program at Viking Terrace Manufacture Home Park.

\$40,000 for Manufactured Home Down Payment Assistance at Viking Terrace Manufactured Home Park.