



## Legislation Text

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**DATE:** October 22, 2019

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

**FROM:** Janine Atchison, Housing Coordinator

Community Development Block Grant 3<sup>rd</sup> Quarter Report

**SUMMARY AND ACTION REQUESTED:**

The Housing and Redevelopment Authority to review the Community Development Block Grant (CDBG) 3<sup>rd</sup> quarter report.

**BACKGROUND:**

The HRA receives approximately \$63,000 in CDBG funds each year through the Dakota County Community Development Agency (CDA). In their annual application for CDBG funds, the City requests funds for the next fiscal year (FY). The funds requested are designated for individual programs such as down payment assistance (DPA), Home Matters Homeowner Rehabilitation (Residential Rehab), Northern Oaks rehabilitation (Rental Rehab) programs, manufactured home rehabilitation (MH Rehab), etc. The annual application includes the amount or portion of the total allocation to be devoted to each existing or new program. The application is approved by the CDA. Funds are generally made available between July and October of the fiscal year.

Funds that are not utilized within 4 FY are subject to recapture by the Department of Housing & Urban Development (HUD). Funds that are not utilized within 3 FY are subject to recapture and redistribution by the CDA.

**ANALYSIS:**

Down Payment Assistance - Staff completed one DPA loan in the amount of \$15,000 during the 2<sup>nd</sup> quarter of 2019. The loan amount was reimbursed to the HRA by the CDA.

Residential Rehab - Staff is currently working with 1 applicant for the Home Matters Homeowner Rehab program.

Rental Rehab - The City Council approved the sub-recipient agreement with property owners Three Rivers Community Action Agency (Three Rivers) on August 5, 2019. Three Rivers will be able to draw down CDBG funds as materials are purchased in work completed at the project. It is expected that all FY 2016 funds will be utilized by the end of 2019. Work has commenced at the Northern Oaks Townhome Project. Staff is currently processing first payment of \$28,512 to Three Rivers Community Action Agency for the first phase of the project, which will draw down most of the \$28,595.68 in FY2016 funds that were subject to recapture. The remaining FY2016 funds will be utilized before the end of 2019.

FY 2019 CDBG funds have not been released by HUD yet. The manufactured home rehab program at Viking

Terrace will be advertised once the funds are released.

**Recommendation**

No recommendations at this time.