



## Legislation Text

---

**File #:** 20-555, **Version:** 1

---

**DATE:** 10/27/2020

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

**FROM:** Melissa Hanson, Housing Coordinator

Community Development Block Grant (CDBG)

**SUMMARY AND ACTION REQUESTED:**

Staff is requesting that the HRA review current HRA programs offered through CDBG and discuss possible future programming as staff prepares CDBG application for FY 2021.

**BACKGROUND:**

Each year, the City of Northfield has the opportunity to apply for approximately \$62,000 in CDBG funds through the Dakota County Community Development Agency (CDA). The CDBG application deadline for funding fiscal year (FY) 2021 is January 22, 2021. FY 2021 begins July 1, 2021 through June 30, 2022.

The annual application includes the amount or portion of the total allocation to be devoted to each existing or new program. The application is then approved by the CDA. Funds are typically made available between July and October of the fiscal year.

Ongoing HRA projects funded through CDBG:

- Down Payment Assistance (DPA) Program
  - Current Program highlights:
    - Homeowner income up to 80% of Area Median Income (AMI) for Dakota County, currently \$78,500 for a family size of 4
    - Up to \$25,000 - 0% interest, deferred loan
    - Homeowner must contribute a minimum of \$1,000 out of their own funds to go towards down payment or closing costs
    - Loan must be repaid when ownership transfers, original mortgage is paid off or refinanced, or if homeowner no longer resides at property
- Home Matters Residential Rehabilitation Program
  - Current Program highlights:
    - Homeowner income up to 80% of Area Median Income (AMI) for Dakota County, currently \$78,500 for a family size of 4
    - Up to \$20,000 - 0% interest, deferred loan
    - Up to \$10,000 of loan to be forgiven after 10 years of continued occupancy
    - Loan must be repaid when ownership transfers, original mortgage is paid off or refinanced, or if homeowners no longer resides at property

Pilot Program - Funded with one year's CDBG funding

- Manufactured Housing Rehabilitation Program - Viking Terrace
  - Current Program highlights:
    - Homeowner income up to 80% of Area Median Income (AMI) for Dakota County, currently \$78,500
    - Up to \$20,000 - 0% interest, deferred loan
    - Homeowner contribution 10% of total rehab costs
    - Qualified repairs/improvements
    - Loan to be forgiven after 3 years of continued occupancy
    - Loan to be repaid if ownership transfers or if homeowner no longer resides in residence in the first 3 years of loan execution

**ANALYSIS:**

Staff notes that there has been little activity surrounding the Down Payment Assistance (DPA) Program and Home Matters Residential Rehabilitation Program in recent months. This is most likely a combination of the economic environment due to the Covid19 pandemic and staff turnover limiting outreach efforts. Staff has received and approved 1 application for DPA (funds have not been disbursed, no closing date scheduled) and staff has received 1 application for the Manufactured Housing Rehab Program. Staff also notes that HRA

**OPTIONS:**

**RECOMMENDATION:**

Staff is requesting