



## Legislation Text

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**DATE:** October 24, 2020

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

**FROM:** Melissa Hanson, Housing Coordinator

Community Development Block Grant (CDBG) 3<sup>rd</sup> Quarter 2020 Report, 1<sup>st</sup> Quarter Report for fiscal year (FY) 2020-2021, July-August-September

**SUMMARY AND ACTION REQUESTED:**

HRA to review the CDBG 3<sup>rd</sup> Qtr report, 1<sup>st</sup> Qtr report for FY 2020-2021

**BACKGROUND:**

The HRA is eligible to receive \$65,312 in CDBG funds for FY 2020-2021 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 eligible programs such as down payment assistance and residential rehabilitation. In the recent past, the City has been able to use these funds in collaboration with Three Rivers to rehab Northern Oaks by reallocating CDBG funds for rental rehab. The City has also assisted with abandoned coach removal at Florella's Mobile Home Park through CDBG funds to remove blight from the community. 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 and funds are typically made available between July and October of the FY.

The total amount of CDBG funds currently available to the City of Northfield is \$179,248.03.

Funds that are not utilized within 4 FY are subject to recapture by the Department of Housing and Urban Development (HUD). Funds that are not utilized within 3 FY are subject to recapture and redistribution by the CDA. The City of Northfield must utilize \$21,453 (remaining 2017 unutilized funds) by April 30, 2021 in order to avoid redistribution by CDA.

Sixty (60) days prior to the end of fiscal year, the amount of non-disbursed CDBG funds cannot be more than 1.5 times the entitlement grant for its current program year. The HRA must utilize a total of \$81,280.03 by April 30, 2021 in order to avoid redistribution by CDA. Of this, \$21,453 are the unutilized funds from 2017.

**ANALYSIS:**

Currently, HRA is administering 3 CDBG programs: Down Payment Assistance (DPA), Home Matters Residential Rehab, and Manufactured Home Rehab. No funds have been disbursed from CDBG in the 2020 3<sup>rd</sup> quarter. Staff has received 1 application for DPA, no applications for the Home Matters Residential Rehab, and outreach has begun for the newly resurrected Manufactured Home Rehab

program. Staff has already received 1 application, and is working on contracting a qualified agency to perform the necessary assessments and written scopes.

**RECOMMENDATION:**

None at this time.