

# COUNCIL COMMUNICATION

	Number:	<b>24-234</b>	Meeting:	<b>June 3, 2024</b>
	Agenda Item:	<b>19</b>	Roll Call:	<b>24-0801</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

**AGENDA HEADING:**

Reprogramming of prior years' unspent Community Development Block Grant (CDBG) funds, to be included in the 2024 Annual Action Plan as part of the 2020-2024 Consolidated Plan under the U.S. Department of Housing and Urban Development (HUD).

**SYNOPSIS:**

Each year, there are programs or activities that are unable to fully expend their CDBG allocations. As such, those unexpended funds are then reallocated to other programs or services so that the CDBG funding can continue to be utilized under eligible activities.

**FISCAL IMPACT:**

Amount: \$4,719,366.73 in CDBG funding

Funding Source: HUD

**ADDITIONAL INFORMATION:**

- Reprogrammed CDBG funds will be taken from the following programs or activities:

Org Code	Description	Reprogrammed Amount
CDB01821	Neighborhood Revitalization	\$ (394,511.01)
CDB06322	2022 Public Services	\$ (345,000.00)
CDB06722	Housing Development Site Preparation	\$ (1,179,236.73)
CDB07022	Housing Counseling	\$ (75,000.00)
CDB00123	CDBG Administration	\$ (112,696.12)
CDB00523	Code Enforcement	\$ (528,580.53)
CDB01423	Homeowner Rehabilitation	\$ (1,635,268.04)
CDB06323	2023 Public Services	\$ (345,000.00)
CDB07023	Housing Counseling	\$ (12,145.88)
	Revolving Loan Fund	\$ (91,928.42)
	<b>Total Reprogrammed CDBG Funds</b>	<b>\$ (4,719,366.73)</b>

- Reprogrammed CDBG funds will be allocated to the following programs or activities:

<b>Org Code</b>	<b>Description</b>	<b>Reprogrammed Amount</b>
	Sidewalk improvements	\$ 100,000.00
CDB01424	2024 Housing Rehabilitation, Improving Our Neighborhoods (ION)	\$ 2,228,856.96
	CDBG Rental Rehab	\$ 800,000.00
	Real Estate Acquisition by Nonprofit Housing Developers	\$ 590,509.77
	Ellipsis Meredith Campus (24-0419)	\$ 1,000,000.00
	<b>Total Reprogrammed CDBG Funds</b>	<b>\$ 4,719,366.73</b>

- The reallocation of homeowner rehabilitation under Improving Our Neighborhoods (ION) is more of a tracking exercise rather than a true reallocation to ensure City staff communicate the correct housing activities, closed out projects, and homeowner demographics to HUD each calendar year.
- The 2023 Public Services reallocation of \$345,000 (CDB0623) may be withdrawn if a subrecipient cannot produce audit information before June 30, 2024. If the subrecipient produces the requested information by this date, the 2023 Public Services funding of \$345,000 will remain earmarked for that use, and the Real Estate Acquisition by Nonprofit Housing Developers will be reduced by \$345,000.
- Housing Development Site Preparation was intended to be used for major redevelopment of a three (3)-acre infill site where the City was acquiring by execution of a demolition lien. Funds were reserved to offset the development costs of producing affordable housing units. The project, however, was cancelled because the property owner repaid the lien amount to the City.
- Any development agreements that are a result of any of this funding will be subject to certain design standards. Currently, the Development Services Department is working on an agreement attachment outlining design requirements, such as siding materials, associated with any City incentives or grant funding.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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