

# COUNCIL COMMUNICATION

	Number:	<b>26-160</b>	Meeting:	<b>May 4, 2026</b>
	Agenda Item:	<b>20</b>	Roll Call:	<b>26-0558</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

**AGENDA HEADING:**

Reprogramming of prior years' unspent Community Development Block Grant (CDBG) funds

**SYNOPSIS:**

Each year, there are programs or activities that either do not fully expend their CDBG allocations or need them carried forward to a more recent program year budget. As such, those unexpended funds are then reallocated or moved to other programs or services so that the CDBG funding can continue to be utilized under eligible activities.

**FISCAL IMPACT:**

Amount: Reallocation of \$2,177,017.93

Funding Source: FY26 Operating Budget, Page 154, Neighborhood Services Department, Special Revenue and Other Funds, CDBG

**ADDITIONAL INFORMATION:**

- Reprogrammed CDBG funds will be reduced or increased from the following:

Activity	Amount Reduced	Amount Increased
2025 Administration	\$ (74,800.17)	
2024 Affordable Housing Development	\$ (525,509.77)	
2025 Affordable Housing Development	\$ (1,038,637.00)	
2025 Homeowner or Single-Family Rehab	\$ (538,070.99)	
2025 Neighborhood Inspections Code Enforcement		\$ 64,972.93
2025 Sidewalk Improvements		\$ 1,800.00
2026 HOME, Inc. Homebuyer Counseling		\$ 75,000.00
2026 Affordable Housing Development		\$ 2,035,245.00
<b>Totals</b>	<b>\$ (2,177,017.93)</b>	<b>\$ 2,177,017.93</b>

- Under 2024 and 2025 Affordable Housing Development, one project was cancelled. Other projects approved in 2025 have not drawn funds. As a result, obligated, but unexpended, funds have been moved into the most recent grant year for easier financial tracking. Affordable

Housing Development includes rental rehabilitation or projects that support the creation of affordable housing, such as acquisition, demolition, and site improvements in the right-of-way. Council-approved projects in this category include rehabilitation of 615 Euclid Avenue and Beacon Village at 1348 East Euclid Avenue.

- Some funding for single-family housing rehabilitation has been reallocated to affordable housing development. The program used less funding than expected because staff were anticipating more rehabilitation projects driven by complaints or code compliance enforcement rather than voluntary applications.
- For both sidewalk improvements and neighborhood inspections, the programs or services incurred more expenses than planned. As such, they have a slight increase to offset those additional expenses.
- Finally, HOME, Inc. inquired about past housing counseling support they received from the CDBG program. Because there is a history of working with HOME, Inc., there are available reprogramming funds, and the City is under its 15% public service cap for the CDBG funds, the service is being recommended for funding in 2026.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: November 3, 2025

Roll Call Number: [25-1505](#)

Action: [On](#) the proposed 2026 Action Plan as part of the 2025-2029 Consolidated Plan for the U.S. Department of Housing and Urban Development (HUD). ([Council Communication No. 25-409](#))  
Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

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

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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