



REQUEST FOR COUNCIL ACTION

MEETING DATE: February 21, 2023
PREPARED BY: Brett Angell, Assistant Community and Economic Development Director
AGENDA ITEM: 2023 Community Development Block Grant funds allocation plan

PREVIOUS ACTIONS:

At their meeting of Tuesday, February 16, 2021, the City Council adopted Resolution No. 22-041 approving the 2022 CDBG Program Planning Allocation.

RECOMMENDED COUNCIL ACTION:

Motion to open the public hearing for public comments on the 2023 CDBG funds allocation plan.

Motion to close the public hearing.

Motion to adopt Resolution No. 23-040 approving the 2023 CDBG funds allocation plan.

COMMENTS:

The Community Development Block Grant (CDBG) program provides funding to local jurisdictions to help address certain challenges related to providing housing and employment options for persons of low- and moderate-income levels. The statute authorizing the CDBG program requires that at least 70% of the funds be used for activities benefiting very low and low-income persons, such as affordable housing. Additionally, no more than 15% of the allocation can be used for social service activities.

The City of Maple Grove received \$132,198 in CDBG funds in 2021. The preliminary allocation is estimated to be approximately the same amount for 2023 at \$162,935. The final amount will not be known until the Department of Housing and Urban Development (HUD) notifies Hennepin County. Should the 2023 allocation be more or less than proposed, the city administrator will adjust the budget to reflect the increase or decrease in funding.

The proposed usage of the 2023 CDBG allocation is consistent with previous years in focusing the funding to three main areas. The first being funding for West Hennepin Affordable Housing Land Trust (WHAHLT) which acquires primarily single-family homes as a means to create affordable home ownership options. The second being funding for the Hennepin County Rehabilitation Loan Program which offers forgivable home repair and maintenance loans to those meeting certain income qualifications. The final activity being funding for rehabilitation and repairs of the city's scattered site housing units. The proposed allocation amounts to each of the three previously discussed activities is:

- Hennepin County rehabilitation program - \$40,000
- WHAHLT - \$50,000
- Scattered site housing rehabilitation - \$72,935

Prior to the 2018 allocation, specific funds were set aside for specific social services activities on an annual basis. Hennepin County enacted a policy which solicits funds to social service programs through a single request for proposal (RFP) process, which is managed by the county for all of the cities that are participants in the Hennepin County Consolidated Pool program. Hennepin County retains 15% of the allocation for social services activities. This amount is not reflected in the above-mentioned proposed allocation for Maple Grove. Staff are members of the selection committee which assist the county in selecting which social services activities receive funding.

ATTACHMENTS:

Attachment A: Resolution No. 23-040