



Request for Council Action

Originator Housing and Redevelopment Authority	Item Public Hearing: FY 2016 Community Development Block Grant (CDBG) Budget and Action Plan
Agenda Section Other: Public Hearing	Date 3/21/2016

Description

The City Council is requested to hold a public hearing to review the 2016-2017 Community Development Block Grant (CDBG) budget and approve an application for submission to the Department of Housing and Urban Development (HUD). The activities and budget are detailed in the chart below. A summary of the Action Plan for the program that will be submitted to HUD is attached.

The 2016 CDBG Program Year is from July 1, 2016 to June 30, 2017. The FY2016 grant amount will be \$426,825. This amount is \$11,191 more than last year's allocation. It is anticipated that the City will again receive about \$400,000 in income from the repayments of old rehab loans during the 2016 fiscal year. The repayment of loans will enable funding of all other activities at their historic levels and add a new activity, all while still serving 30 or more households with new rehab loans.

At their March 8, 2016 meeting, the HRA Board of Commissioners approved the 2016 CDBG budget, with a new homeownership activity. The HRA proposes assisting the West Hennepin Affordable Housing Land Trust (WHAHLT) to complete two purchase/rehab projects within Bloomington during the 2016/2017 program year. Doing business as "Homes Within Reach", WHAHLT will re-sell the homes to low/moderate income families when the rehab is completed. The CDBG funds will be used as gap financing - \$50,000 each – to ensure the home is affordable to the buyer after the rehabilitation. Homes Within Reach retains ownership of the land and sells only the structure to the owner, thus making the home affordable. The land trust guarantees long-term affordability of the home by requiring the owner to re-sell the home in the future to another low/moderate income family.

The attached summary and budget chart below detail the proposed activities and funding levels. The recommended activities remain the same as in past years, with the addition of the land trust activity.

Activity	2015 Allocation	2014 Carryover	2015 Program Income (Estimate)	Final 2015 Budget	2015 Carryover (Estimate)	2016 Allocation	2016 Program Income (Estimate)	Total 2016 Budget
Single Family Rehabilitation	275,634	429,355	400,000	1,104,989	400,000	186,825	400,000	986,825
Lead-Based Paint Abatement	25,000	0	0	25,000	0	25,000	0	25,000
WHAHLT (Land Trust)	0	0	0	0	0	100,000	0	100,000
H.O.M.E.	20,000	0	0	20,000	0	20,000	0	20,000
Fair Housing	5,000	0	0	5,000	0	5,000	0	5,000
Administration	90,000	0	0	90,000	0	90,000	0	90,000
TOTAL	415,634	429,355	400,000	1,244,989	400,000	426,825	400,000	1,226,825

Requested Action

Approve FY2016 Community Development Block Grant Budget and Action Plan

Attachments:

2016 CDBG Action Plan