

To: **Mayor and City Council**
 Through: **Ryan Schroeder, City Manager**
Jim Hartshorn, Comm. Dev. Director
 From: **Melissa Sonnek, City Planner**
 Date: **January 25, 2021**

2021 Community Development Block Grant (CDBG) Application

BACKGROUND INFORMATION:

Each year, the City applies for the Community Development Block Grant (CDBG) through Dakota County Community Development Agency (CDA). The City typically receives between \$80,000 and \$100,000 a year in CDBG funding. While the amount the city will receive is not finalized until the federal budget is approved, however, for FY 2021, (July 1, 2021 - June 30, 2022) the CDA estimates an award of \$126,120 for the City of West St. Paul.

CDBG funding provides a maximum of \$25,000 for deferred repayment, 0% interest rate loans to income eligible homeowners. Each year, five to eight low and moderate-income West St. Paul homeowners make necessary home improvements from the annual CDBG allocation to housing rehabilitation. Eligible repairs include code-mandated repairs due to deferred maintenance, upgrading mechanical or other systems to current standards, and permanent general improvements to increase property values.

The program provides home improvement assistance to underserved populations in West St. Paul. However, the City also benefits through increased property values and preservation of the existing housing stock. By allocating CDBG funds for housing rehabilitation, the City ensures that funds are available to West St. Paul homeowners for FY2021.

FISCAL IMPACT:

		Amount
Fund:		
Department:		
Account:		

STAFF RECOMMENDATION:

City Staff recommends that the City Council adopt the attached resolution for the 2021 CDBG funding from Dakota County.