



### ***City Council Memorandum***

**To:** Mayor Fasbender & City Council Members  
**From:** Ryan Stempksi – Public Works Director/City Engineer  
**Date:** November 7, 2022  
**Item:** Approve Assessment Abatement for 2022 Neighborhood Infrastructure Improvements

#### **Council Action Requested:**

Council is requested to approve abatement of assessments to properties within the 2022 Neighborhood Infrastructure Improvements project areas.

#### **Background Information:**

The assessment abatement program provides federal funding through the Dakota County Community Development Agency to the City for assistance with financing assessments to owner-occupied low and moderate income households. The 2022 reconstruction program included 5<sup>th</sup> Street W, Ash Street, 13<sup>th</sup> Street W, Lilac Court, Hillside Street, Park Lane, Park Court, 11<sup>th</sup> Street E, and the Riverwood Neighborhood. The combined project areas impacted a total of 323 properties, the vast majority of which are single-family owner-occupied residential dwellings. During this year's process, twenty-seven (27) applications for assessment abatement were filed with the Dakota County Community Development Agency (CDA). This represents about 8% of owner-occupied households, but there were 76 apartment/condominiums within the project area. The typical application rate falls between 10-15% of all owner-occupied residential properties impacted.

The agency has completed review, and determined that **twenty-two (22) properties** qualified for assistance, with **twelve (12)** households qualifying as low-income households, and **ten (10)** as moderate-income households. These properties were assessed a total of **\$81,878.75**.

#### **Financial Impact:**

The combined total of assessments against qualifying households is **\$81,878.75**. The total Community Development Block Grant (CDBG) budget set aside for assessment abatement for the 2022 project was \$121,520.79. Federal requirements call for 100% abatement of low-income households, and the City can choose to fund anywhere from 0% to 100% abatement for the qualifying moderate-income households.

#### **Staff Recommendation:**

The budget for the 2022 program is enough to provide the required full abatement to qualifying low-income households, and full abatement for qualifying moderate-income households. It is staff's recommendation to maximize available CDBG Assessment Abatement funds and provide abatement in full to both the low-income and moderate-income households.

#### **Attachments:**

A listing of the properties eligible for assessment abatement and the amounts recommended to be abated is attached for City Council approval.

**Qualifying Households****Low Income Households (100% Abatement Required)**

<u>Project</u>	<u>PID</u>	<u>Assessment Amount</u>	<u>Abatement Amount</u>
<b>2022 Neighborhood Infrastructure Improvements</b>	196438601120	\$1,800.00	\$1,800.00
	196437505233	\$500.00	\$500.00
	196437601010	\$7,406.25	\$7,406.25
	196438601110	\$1,800.00	\$1,800.00
	196437505108	\$500.00	\$500.00
	196437702103	\$500.00	\$500.00
	191050020100	\$2,801.25	\$2,801.25
	191950303010	\$5,241.60	\$5,241.60
	196439002010	\$4,350.00	\$4,350.00
	193210005220	\$5,394.60	\$5,394.60
	191400001110	\$3,240.00	\$3,240.00
	191050034030	\$2,801.25	\$2,801.25

<b>Total Qualifying Low-Income Abatement</b>	<b>\$36,334.95</b>
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**Moderate Income Households (100% Abatement Recommended)**

<u>Project</u>	<u>PID</u>	<u>Assessment Amount</u>	<u>Abatement Amount</u>
<b>2022 Neighborhood Infrastructure Improvements</b>	191400001100	\$3,240.00	\$3,240.00
	196437505202	\$500.00	\$500.00
	196437606030	\$4,425.00	\$4,425.00
	196437805060	\$4,800.00	\$4,800.00
	196437603040	\$4,650.00	\$4,650.00
	193210006010	\$5,321.70	\$5,321.70
	193210005260	\$5,394.60	\$5,394.60
	196437606010	\$5,250.00	\$5,250.00
	196437603070	\$7,612.50	\$7,612.50
	196437605020	\$4,350.00	\$4,350.00

<b>Total Qualifying Moderate-Income Abatement</b>	<b>\$45,543.80</b>
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<b>GRAND TOTAL ABATEMENT</b>	<b>\$81,878.75</b>
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