



City Council Memorandum

To: Mayor Fasbender & City Council Members
From: Ryan Stempski – Public Works Director/City Engineer
Date: November 6, 2023
Item: Approve Assessment Abatement for 2023 Neighborhood Infrastructure Improvements

Council Action Requested:

Council is requested to approve abatement of assessments to properties within the 2023 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 2023 reconstruction program included 18th Court, Ridgewood Court, Old Bridge Lane, Southview Drive, Southview Place, and Pleasant Drive. The project impacted 74 properties, the vast majority of which are single-family owner-occupied residential dwellings. During this year's process, five (5) applications for assessment abatement were filed with the Dakota County Community Development Agency (CDA). This represents about 7% of owner-occupied households within the project area.

The agency has completed review, and determined that **three (3) properties** qualified for assistance, with **two (2)** households qualifying as low-income households, and **one (1)** as a moderate-income household. These properties were assessed a total of **\$10,575.00**. Of the two applications not awarded, one applicant failed to respond to several contact attempts from the county and another was found to be over the maximum income threshold.

Financial Impact:

The combined total of assessments against qualifying households is **\$10,575.00**. The total Community Development Block Grant (CDBG) budget set aside for assessment abatement for the 2023 project was \$59,977.55. 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 2023 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.

2023 Improvement Program Assessment Abatement

Qualifying Households

Low Income Households (100% Abatement Required)

<u>Project</u>	<u>PID</u>	<u>Assessment Amount</u>	<u>Abatement Amount</u>
<i>2023 Neighborhood Infrastructure Improvements</i>	193285005030	\$6,750.00	\$6,750.00
	197700004070	\$1,912.50	\$1,912.50
Total Qualifying Low-Income Abatement			\$8,662.50

Moderate Income Households (100% Abatement Recommended)

<u>Project</u>	<u>PID</u>	<u>Assessment Amount</u>	<u>Abatement Amount</u>
<i>2023 Neighborhood Infrastructure Improvements</i>	197700007070	\$1,912.50	\$1,912.50
Total Qualifying Moderate-Income Abatement			\$1,912.50

GRAND TOTAL ABATEMENT \$10,575.00