



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: John Hinzman, Community Development Director
Date: January 16, 2024
Item: Resolution: Authorize Submittal of 2024 CDBG Budget

Council Action Requested:

Adopt the attached resolution authorizing submittal of the 2024 Community Development Block Grant (CDBG) budget to Dakota County. The estimated funding of \$70,369 would be allocated towards assessment abatement. Action requires a simple majority of Council.

Background Information:

CDBG funding is intended to fund activities for low and low/moderate income individuals including affordable housing, anti-poverty, and infrastructure development. Dakota County receives a direct allocation of CDBG funding from the US Department of Housing and Urban Development (HUD) and sub-allocates funding to individual cities within the County.

Assessment Abatement – Similar to past years, CDBG funding would be allocated toward providing assessment abatement for local public infrastructure projects; allowing qualifying homeowners to reduce or eliminate their assessment. This year's project generally involves street reconstruction and utilities in the area of Highland Drive, Brittany Road, 17th Street, 21st Street, Brooke Lane, and Brooke Court

Financial Impact:

CDBG funds will assist low to low/moderate income households in abating assessments and housing repairs.

Advisory Commission Discussion:

N/A

Council Commission Discussion:

N/A

Attachments:

- Resolution
- CDBG Application

**CITY OF HASTINGS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

**A RESOLUTION APPROVING THE APPLICATION
FOR FISCAL YEAR 2024 DAKOTA COUNTY COMMUNITY DEVELOPMENT
BLOCK GRANT FUNDING**

WHEREAS, the City of Hastings is a participating jurisdiction with the Dakota County Community Development Block Grant (CDBG) Entitlement Program for Fiscal Year 2024 (ending June 30, 2025); and

WHEREAS, the Dakota County Community Development Agency (CDA) is a Subgrantee of Dakota County for the administration of the CDBG Program; and

WHEREAS, the Dakota County CDA has requested Fiscal Year 2024 CDBG applications be submitted by January 19, 2024, based on an allocation of funds approved in the Annual Action Plan.

NOW, THEREFORE, BE IT RESOLVED that the City of Hastings hereby approves the following:

1. The Fiscal Year 2024 CDBG application is approved for submission to the Dakota County CDA.
2. The City Administrator for the City of Hastings is authorized to execute the application and all agreements and documents related to receiving and using the awarded CDBG funds.
3. The Dakota County CDA is designated as the administrative entity to carry out the CDBG program on behalf of the City, subject to future Subrecipient Agreements that may be required for specific CDBG-funded activities.

Adopted by the City Council of Hastings this 16th day of January, 2024

ATTEST:

Kelly Murtaugh, City Clerk

Mary D. Fasbender, Mayor

I HEREBY CERTIFY that the above is a true and correct copy of resolution presented to and adopted by the City of Hastings, County of Dakota, Minnesota, on the 16th day of January, 2024, as disclosed by the records of the City of Hastings on file and of record in the office.

Kelly Murtaugh
City Clerk

(SEAL)

This instrument drafted by:
City of Hastings (JH)
101 4th Street East
Hastings, MN 55033

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS APPLICATION FOR PROGRAM YEAR 2024

Application must be received by the Dakota County Community Development Agency
NO LATER THAN FRIDAY, JANUARY 19, 2024
For July 1, 2024 – June 30, 2025

General Information

Applicant Name: City of Hastings	172843278
Contact Name: John Hinzman	
Applicant Address: 101 East 4 th Street	
City, State, Zip: Hastings, MN 55033	
Phone: 651-480-2378	Email: jhinzman@hastingsmn.gov

Proposed Activities

Activity	Requested Funding Amount
#1 Title: Assessment Abatement	CDBG Request: \$ 70,369
#2 Title: Click or tap here to enter text.	CDBG Request: \$ Click or tap here to enter text.
#3 Title: Click or tap here to enter text.	CDBG Request: \$ Click or tap here to enter text.
#4 Title: Click or tap here to enter text.	CDBG Request: \$ Click or tap here to enter text.
#5 Title: Click or tap here to enter text.	CDBG Request: \$ Click or tap here to enter text.
Total Request: \$ Click or tap here to enter text.	

Contingency Funding Request:

Please note the funding levels for activities if there is an increase or decrease in federal funding levels. Specify which activities should be fully funded at the requested level and which should be increased or decreased. Please adjust Assessment Abatement.

PLEASE NOTE: AT LEAST 50% of the proposed funding must qualify as a LOW/MOD benefit and NO MORE THAN 35% of the any one community's proposed funding can be for PUBLIC SERVICES. As public services may not account for more than 15% of the County's total funding, public service requests may be decreased once all applications are submitted and reviewed by CDA staff.

Certification

I certify that the information contained in this application is true and correct and that it contains no misrepresentations, falsifications, intentional omissions, or concealment of material facts. I further certify that no contracts have been awarded, funds committed, or construction begun on the proposed project(s), and that none will be made prior to notification from the Dakota County CDA based on HUD's issuance of a Release of Funds Notice.

Signature of Authorized Official

Date

Title of Authorized Official

**PLEASE ATTACH THE RESOLUTION OF THE GOVERNING BODY SHOWING APPROVAL
OF THE REQUEST FOR CDBG FUNDS.**

I. Activity Title

Please complete the following Sections I-V for EACH proposed activity. (For example, if 3 activities are being proposed, there will be 3 sets of the following pages.)

Activity # 1

Activity Title: Assessment Abatement

II. Activity Information

Describe the proposed activity in detail. Please be specific about purpose, location, number of people or households served, etc.

The City of Hastings 2024 Improvement Program includes street reconstruction projects involving bituminous paving, storm sewer, concrete curb and gutter, and trail construction. The project would involve Highland Drive, Brittany Road, 17th Street, 21st Street, Brooke Lane, and Brooke Court. Per City policy, all abutting property owners will be assessed for these improvements. The City is proposing to allocate CDBG funding to provide assessment abatement to low and moderate income properties. Qualifying low income households would have 100 percent of their assessments abated, while qualifying moderate income households would have their assessments abated to the extent of remaining funds available.

Has this Activity received CDBG funding before? Yes No

Check the eligible activity category of the proposed activity: *(See attached definitions)*

<p>Affordable Rental Housing</p> <ul style="list-style-type: none"> <input type="checkbox"/> Rehabilitation of Multi-Unit Residential <input type="checkbox"/> Fair Housing Activities <input type="checkbox"/> Energy Efficiency Improvements 	<p>Public Services</p> <ul style="list-style-type: none"> <input type="checkbox"/> Senior Services <input type="checkbox"/> Youth Services <input type="checkbox"/> Transportation Services <input type="checkbox"/> Operational Support
<p>Affordable Homeowner Housing</p> <ul style="list-style-type: none"> <input type="checkbox"/> Homeownership Assistance <input type="checkbox"/> New (Re)Construction Homeowner Housing <input type="checkbox"/> Rehabilitation/ Energy Efficiency Improvement of Single Unit Residential <input type="checkbox"/> Fair Housing Activities 	<p>Public Facilities</p> <ul style="list-style-type: none"> <input type="checkbox"/> Recreational Parks <input type="checkbox"/> Public Water/Sewer Improvements <input type="checkbox"/> Street Improvements <input type="checkbox"/> Sidewalks <input checked="" type="checkbox"/> Assessment Abatement <input type="checkbox"/> ADA Improvements
<p>Homelessness</p> <ul style="list-style-type: none"> <input type="checkbox"/> Coordinated Access to Services & Shelter <input type="checkbox"/> Housing Stabilization <input type="checkbox"/> Emergency Shelter Operation 	<p>Neighborhood Revitalization</p> <ul style="list-style-type: none"> <input type="checkbox"/> Acquisition of Real Property <input type="checkbox"/> Clearance and Demolition <input type="checkbox"/> Clean-up of Contaminated Site
<p>Economic Development</p> <ul style="list-style-type: none"> <input type="checkbox"/> Employment Training <input type="checkbox"/> Economic Development Assistance <input type="checkbox"/> Rehabilitation of Commercial/Industrial Buildings <input type="checkbox"/> Micro-Enterprise Assistance <input type="checkbox"/> Relocation 	<p>Planning and Administration</p> <ul style="list-style-type: none"> <input type="checkbox"/> Planning <input type="checkbox"/> Administration

Describe the activity schedule:

Is this a continuation of a previously funded activity? Yes No

Is this a time-specific project? Yes No

If this is a time-specific project, please note the start and end dates below:

Proposed Activity Start Date: 7/1/24

Proposed Activity Completion Date: 6/30/25

III. CDBG National Objective

CDBG funded projects/activities must meet one of the following program objectives. Check the objective for which the CDBG funds will be used.

- Low/Mod Area Benefit
- Low/Mod Housing Benefit
- Slum/Blight Area Benefit
- Urgent Need (extremely rare; used only for emergencies): *(Please explain)* [Click or tap here to enter text.](#)
- Low/Mod Limited Clientele Benefit
- Low/Mod Jobs Benefit
- Slum/Blight Spot Benefit

If you checked the Low/Mod Area Benefit box, please answer the following:

In what Census Tract/Block Group(s) do beneficiaries of your Activity live? *(Please include map)*
[Click or tap here to enter text.](#)

How many residents live in this area? [Click or tap here to enter text.](#)

What is the percentage of low and moderate-income beneficiaries? [Click or tap here to enter text.%](#)

How was this documented? HUD Data Survey
(Please include a copy of survey)

If you checked the Low/Mod Housing Benefit box, please answer the following:

How many Low/Mod Households will benefit? 10 Households
(Income eligibility must be verified by written documentation)

Where will this activity occur? *(Address of property, neighborhood, or citywide)*
The project would involve Highland Drive, Brittany Road, 17th Street, 21st Street, Brooke Lane, and Brooke Court

If you checked the Low/Mod Limited Clientele Benefit box, please answer the following:

How many Low/Mod People or Households will benefit? [Click or tap here to enter text.](#) People [Click or tap here to enter text.](#) Households *(Please choose either People or Households for each project).*

How will income be verified?

- Income Verification Request Forms
- Eligibility Status for other Governmental Assistance program
- Self Certification *(Must request source documentation of 20% of certifications and must inform beneficiary that all sources of income and assets must be included when calculating annual income)*
- Presumed benefit *(HUD presumes the following to be low and moderate-income: abused children, battered spouses, elderly persons (62+), severely disabled persons, homeless persons, persons living with AIDS, migrant farm workers)*

If you checked the Low/Mod Jobs Benefit box, please answer the following:

To meet the requirements of the "Jobs" National Objective, the business being assisted must enter into an agreement showing commitment that at least 51% of jobs created or retained will be available to low/mod income persons. The business must also be prepared to provide a list of all jobs, detailed information about the jobs being created or retained, the selection and hiring process, and demographic information about the employees.

Will this activity create or retain full time equivalencies (FTEs)? Create Retain

For job(s) that are being retained, please provide evidence that the assisted business has issued a notice to affected employees or that the business has made a public announcement to that effect, OR an analysis of relevant financial records that shows the business is likely to cut back on employment in the near future without planned intervention.

Will the job(s) created or retained require a special skill? Yes No

What percent of permanent FTEs will be held by or available to low/mod income persons? [Click or tap here to enter text.](#) %

If you checked the Slum/Blight Area or Slum/Blight Spot Benefit box, please answer the following:

What are the boundaries of the slum/blight area or the address of the slum/blight spot? [Click or tap here to enter text.](#)

(Please provide letter from building inspector or other documentation noting deficiencies and include photos)

What deficiency will be corrected or the public improvement be? [Click or tap here to enter text.](#)

If Slum/Blight Area, what percent of buildings are deteriorated? [Click or tap here to enter text.](#)%

IV. Proposed Objectives and Outcomes

Indicate the proposed objective and outcome of the activity/project.

	Outcome #1 Availability/Accessibility	Outcome #2 Affordability	Outcome #3 Sustainability
Objective #1 Suitable Living Environment	<input type="checkbox"/> Accessibility for the purpose of creating a suitable living environment	<input type="checkbox"/> Affordability for the purpose of creating a suitable living environment	<input type="checkbox"/> Sustainability for the purpose of creating a suitable living environment
Objective #2 Decent Housing	<input type="checkbox"/> Accessibility for the purpose of providing decent housing	<input type="checkbox"/> Affordability for the purpose of providing decent housing	<input type="checkbox"/> Sustainability for the purpose of providing decent housing
Objective #3 Economic Opportunity	<input type="checkbox"/> Accessibility for the purpose of creating economic opportunities	<input type="checkbox"/> Affordability for the purpose of creating economic opportunities	<input type="checkbox"/> Sustainability for the purpose of creating economic opportunities

Indicate how the activity outcome will be measured and projected number of beneficiaries.

- People _____
 Public Facilities _____
 Businesses _____
 Households 10
 Jobs _____
 Organizations _____
 Housing Units _____

V. Project Budget

Provide the total project cost and CDBG request.

Total Project Cost: \$ 4,250,000

Total CDBG Request: \$ 70,369

CDBG Percent of Total Cost: 1.66%

Describe all funding sources.

Source of Funds	Amount	Committed	Pending
City of Hastings Wastewater Fund	\$ 575,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
City of Hastings Water Fund	\$ 850,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
City of Hastings Storm Sewer Fund	\$ 525,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
City of Hastings Bonded Debt	\$1,044,281	<input type="checkbox"/>	<input type="checkbox"/>
Property Owner Assessments	\$1,185,350	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CDBG Funds	\$ 70,369	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total:	\$ 4,250,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please itemize project expenses, using the following guidance as applicable:

- Acquisition & Improvement Costs - Include purchase price, closing costs, site improvements, clearance of toxic contaminants, and other acquisition and improvement costs
- Construction/Rehabilitation Costs - Include site improvements, construction (labor, materials, supplies), installation, permits and other construction/rehabilitation costs
- Professional Fees and Personnel Costs - Include architectural, engineering and code inspection fees, surveys, appraisals, legal fees, hazardous materials surveys, project management, and other professional/personnel fees
- Other Development Costs - Include relocation, financing costs, environmental reviews, environmental studies, and other development costs
- Eligible Costs for Planning Projects - Include professional services, project management costs, and other planning costs

Itemized Use of Funds/Expenses	Costs	CDBG Funds Requested	Other Funding Sources
City of Hastings Bonded Debt & Special Assessments – Street, Storm Sewer, Streetscape	\$ 2,300,000	\$ 70,369	\$ 2,229,631
City of Hastings Water Fund – Water System Infrastructure Replacements	\$ 850,000	\$	\$ 850,000
City of Hastings Wastewater Fund – Sanitary Sewer Infrastructure	\$ 575,000	\$	\$ 575,000
City of Hastings Storm Sewer Fund – Storm Sewer Infrastructure	\$ 525,000	\$	\$ 525,000
Click or tap here to enter text.	\$	\$	\$
Total:	\$4,250,000	\$ 70,369	\$ 4,179,631

* * * * *

***Please review each section for completeness.
Each activity should have separate Sections I through V.***

Please Note: Although an activity may be deemed eligible for CDBG funding, it does not guarantee funding. The Community Development Needs for the CDBG Program in the Consolidated Plan lists the priority of needs and dictates which types of eligible activities may be funded in a given year. All activities must meet a National Objective.

CDBG funds may NOT be used for costs attributable to a building used for the general conduct of government, general government expenses, or political activities.

Acquisition/Disposition: Includes acquisition of real property, in whole or in part, by purchase, long-term lease, donation, or otherwise, for public purpose. Real property to be acquired may include: land, air rights, easements, water rights, rights-of-way, buildings and other property improvements, or other interests in real property.

Demolition/Clearance: Includes clearance, demolition, and removal of buildings and improvements including movement of structures to other sites.

Economic Development Activities: Includes but are not limited to: (1) construction by the grantee or subrecipient of a business incubator designed to provide inexpensive space and assistance to new firms to help them become viable businesses, (2) loans to pay for the expansion of a factory or commercial business, and (3) training for by persons on welfare to enable them to qualify for jobs created by CDBG-assisted special economic development activities. The level of public benefit to be derived from the economic development activity must be appropriate given the amount of CDBG assistance.

Homeownership Assistance: Includes financial assistance for down payments, closing costs or other part of the purchase process and counseling for pre-purchase, post-purchase or foreclosure prevention.

Rehabilitation: Includes single-family rehabilitation, multi-family rehabilitation, energy efficiency improvements, public housing modernization, and rehabilitation of commercial properties.

Relocation: Includes relocation payments and assistance to displaced persons, including individuals, families, businesses, non-profits, and farms, where required under section 570.606 of the regulations (pursuant to the Uniform Relocation Act).

Public Facilities/Improvements: CDBG funds may be used by the subrecipient or other public or private nonprofit entities for the acquisition (including long term leases for periods of 15 years or more), construction, reconstruction, rehabilitation (including removal of architectural barriers to accessibility), or installation, of public improvements or facilities. This includes neighborhood facilities, firehouses, public schools, libraries, and shelters for homeless people, as well as water and/or sewer treatment plants. Buildings for the general conduct of government cannot be acquired or improved with CDBG funds.

Public Services: CDBG funds may be used to provide public services (including labor, supplies, and materials), provided that each of the following criteria is met: 1) The public service must be either a new service or a quantifiable increase in the level of service; and 2) The amount of CDBG funds obligated within a program year to support public service activities may not exceed 35% of a city's allocation and the total public services of all subrecipients may not exceed 15% of the total grant awarded to Dakota County for that year.

Planning: Includes studies, analysis, data gathering, preparation of plans, and identification of actions that will implement plans. The types of plans which may be paid for with CDBG funds include, but are not limited to: comprehensive plans; individual project plans; community development plans, capital improvement programs; small area and neighborhood plans; environmental and historic preservation studies; and functional plans (such as plans for housing, land use, energy conservation, or economic development). Except for small cities and townships, the amount of CDBG funds obligated within a program year to support planning activities may not exceed 15% of a community's allocation.

General Grant Administration: CDBG funds may be used for general administration costs incurred by a subrecipient to administer its CDBG program. CDBG grant funds obligated to general grant administration may not exceed 10% of the community's allocation. Administration costs directly associated with a CDBG activity should be part of the activity as project administration and are not considered general grant administration expenses. Please talk to the Dakota County CDA before you allocated funds to grant admin.

Planning and General Grant Administration Activities may not exceed 20% of the total grant awarded to Dakota County for that year.