



MEMORANDUM

Date: July 13, 2017
To: Community Development Committee
From: Dan Mahli, Community Development Administrator
Re: Community Development Committee Meeting on July 18

The next meeting of the Community Development Committee is Tuesday, July 18 at 3:00 in the City Commission Room at Fargo City Hall. If you are not able to attend, please contact the office at 701.241.1474. Thank you.

COMMUNITY DEVELOPMENT COMMITTEE
Tuesday, July 18 – 3:00 p.m.
City Commission Room
AGENDA

1. Welcome
2. Approve Minutes
3. Review Special Assessment Assistance Program policy relating to Tree Removal
4. Review 2016 CDBG & HOME Executive Summary Report to HUD (due July 31)
5. Update on the Affordability Study
6. Other business
7. Adjourn

Community Development Committee meetings are broadcast live on cable channel TV Fargo 56 and can be seen live by video stream on www.FargoND.gov/streaming. They are rebroadcast each Monday at 10:30 a.m. and Thursday at 2:30 p.m.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Planning Department at 701.241.1474 or TDD at 701.241.8258. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Meeting minutes are available on the City of Fargo website at <http://fargond.gov/city-government/boards-commissions/community-development-committee>.



**COMMUNITY DEVELOPMENT COMMITTEE
MINUTES**

Regular Meeting:

Tuesday:

June 20, 2017:

The Regular Meeting of the Community Development Committee of the City of Fargo, North Dakota, was held in the City Commission Room at City Hall at 3:00 p.m., Tuesday, June 20, 2017.

The Community Development Committee Members present or absent were as follows:

Present: Commissioner John Strand, Mayor Tim Mahoney, Linda Klebe, Michael Redlinger, Jan Ulferts Stewart, Samantha McDonald, Thomas Hill, Sami Eidenschink

Item 1. Welcome

Chairperson Strand welcomed Members to the meeting and introductions were made.

Item 2. Approval of Minutes: Regular Meeting of May 16, 2017

Ms. Ulferts Stewart moved the minutes of the May 16, 2017 Community Development Committee meeting be approved. Second by Ms. Klebe. All Members present voted aye and the motion was declared carried.

Item 3. Update on the Fargo Neighborhood Revitalization Initiative

Community Development Administrator Dan Mahli gave a brief summary of the Neighborhood Revitalization Initiative (NRI) program – reviewed the history, process, and success that has come from it – and introduced Kim Settel with Gate City Bank. Ms. Settel stated Gate City Bank has enjoyed the partnership with the City on this program and has offered to extend the application deadline from June 1 to October 1, 2017. Discussion was held on ways to further market the program to the community.

Ms. Ulferts Stewart moved the Community Development Committee recognize with deep appreciation and thanks Ms. Settel and Gate City Bank for their work with the Neighborhood Revitalization Initiative. Second by Ms. Klebe. All Members present voted aye and the motion was declared carried.

3:10 p.m. Member Redlinger present.

Ms. Ulferts Stewart moved the Community Development Committee support the application deadline extension to October 1. Second by Ms. Klebe. All Members present voted aye and the motion was declared carried.

Item 4. Review Community Development Program Policies

Special Assessment Assistance

Mr. Mahli presented a summary of the City of Fargo Special Assessment Assistance program. This program is used to alleviate the burden of special assessment costs for low-to-moderate-income homeowners, while at the same time facilitating the improvement of neighborhood infrastructure. He added that the assistance is allocated from both local and federal sources on an annual basis, as funds are available. In addition, he noted that over the majority of the years since this program began, the number of households assisted has increased. There have been no changes made since the last time the Community Development Committee has reviewed the program.

Snow Removal Assistance

Mr. Mahli discussed the City of Fargo Snow Removal Assistance program. This program is used to meet the needs of low-income senior households and those with disabilities. He stated the grant funds are allocated from the City's Community Development Block Grant. He said funds are used to pay a contractor to remove snow from public sidewalks and walkways.

Storefront Rehab/Downtown Projects

Mr. Mahli presented a summary of the City of Fargo Storefront Rehab/Downtown projects program. He stated the purpose of this program is to renovate the exteriors of deteriorating properties in the downtown area. He added interested property owners may apply for a 50% matching grant, up to \$15,000, per façade, which can be used for the rehabilitation of building exteriors, demolition of blighted properties, or other exterior above-grade improvements.

Metropolitan Transportation Initiative

Mr. Mahli presented a summary of the City of Fargo Metropolitan Transportation Initiative program. This program assists low-income households with purchasing a 4-month semester bus pass. Applicants must income qualify and be enrolled in Adult Education, English Language Learning, or Head Start to be eligible.

Ms. Ulferts Stewart moved all of the programs be accepted and supported by the Community Development Committee as presented. Second by Ms. McDonald. All Members present voted aye and the motion was declared carried.

Item 5. Update on Community Development Grant application and process

Mr. Mahli distributed a handout of the 2017 Community Development calendar and budget, noting the 2017 allocations from the US Department of Housing and Urban Development are released. He added the City of Fargo's 2017 Annual Action Plan is submitted to HUD and pending approval.

3:37 p.m. Mayor Mahoney present.

Discussion was held on the review process for the Community Development Grant applications. Mr. Hill moved to create a subcommittee to discuss the Community

Development Grant application, assess needs, set performance goals, and consider new opportunities. Second by Ms. McDonald. All Members present voted aye and the motion was declared carried.

Item 6. Other Business

Mr. Mahli and Members expressed their great appreciation to Jan Ulferts Stewart for her service and commitment on the Community Development Committee.

Mr. Mahli and Assistant Planner Tyrone Grandstrand introduced the Community Development Division's summer interns and gave a brief summary about the work they are doing with the City of Fargo.

Item 7. Adjourn

The time at adjournment was 4:00 p.m.

**SPECIAL ASSESSMENT & SEWER REPAIR ASSISTANCE PROGRAM
PROGRAM POLICY STATEMENT
2017**

1. PROGRAM DESCRIPTION

The goal of the Fargo Special Assessments assistance program is to help alleviate the burden that special assessments can place on low and moderate income homeowners while at the same time facilitating the improvement of neighborhood infrastructure. The assistance is allocated from both local and federal sources on an annual basis (as funds are available).

2. PROGRAM ELIGIBILITY

Project Types

Property owners who are being assessed for the following types of projects, and who have a total assessment that is **greater than \$500** are eligible to apply for this program.

- Water Main Replacement
- Sanitary Sewer Replacement/Rehabilitation
- Street Rehabilitation/Reconstruction
- Alley paving
- Street lighting
- Flood control
- Sidewalks

Assistance is not available to projects in new developments; the assistance is targeted to projects that are replacing/upgrading infrastructure in existing neighborhoods.

Individual

Individual eligibility is determined by the previous year's household income. Homeowners with a household income of less than 60% of the area median income can qualify for some level of assistance. Given adequate funding from both federal and local sources, households with an annual income that is less than:

- 30% of Fargo's median income will receive 100% reimbursement for the annual special assessments levied
- 40% of median income will receive a grant for 75% of the assessment amount
- 60% of median income will receive 50% reimbursement

Household income is calculated using the Section 8 (Part 5) definition of income. City staff will require verification of the income data submitted by all applicants.

Income Guidelines			
Family Size	60% AMI 50% Paid	40% AMI 75% Paid	30% AMI 100% Paid
1	\$ 30,900	\$ 20,600	\$ 15,450
2	\$ 35,280	\$ 23,520	\$ 17,650
3	\$ 39,720	\$ 26,480	\$ 19,850
4	\$ 44,100	\$ 29,400	\$ 22,050
5	\$ 47,640	\$ 31,760	\$ 23,850
6	\$ 51,180	\$ 34,120	\$ 25,600
7	\$ 54,720	\$ 36,480	\$ 27,350
8	\$ 58,260	\$ 38,840	\$ 29,150

Source: HUD

Fargo Special Assessment & Sewer Repair Assistance Program

Policy Statement – 2017

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Homeowners must be current on property tax payments and utility billing, and be in good standing with the City of Fargo.

Project Areas

Funds available for the payment of special assessments are limited. As such, the City may not be able to provide assistance to all eligible projects or property owners.

Projects will be designated to receive assistance based on the type of work to be performed and the location of the project. Projects that take place in the “Primary Focus Area” will receive precedence over second and third tier area projects.

The Primary Focus Area for this program is defined as 12th Avenue North to 13th Avenue South, from 25th Street to the Red River, and 12th Avenue North to 7th Avenue North from 25th Street to I29 (a.k.a First tier).

The Second Tier is defined as the area from 19th Avenue North to I94, from I29 to the Red River, excluding the properties in the Primary focus area.

The Third Tier is defined as any property in City limits not located in the Primary or Second Tier areas.

3. REQUIRED DOCUMENTATION

Each applicant is required to submit the following documents:

- Completed Application Form
- Signed and Completed Income Determination Worksheet
- Federal Income Tax Return
- Statement of Social Security Benefits
- Statement of Pension
- Statement of Interest Income
- Child Support Statement (if applicable)

4. PRIORITIZATION

All projects that are certified by October will be eligible for this program.

Location

Projects will be selected for participation in this program based both on project location and the type of work involved.

First preference will be given to projects located in the Primary Focus area. If funds are available after assistance has been provided in the primary focus area, projects located in the second and then the third tiers will be eligible for assistance.

Type of Work

Within geographic areas, projects will be prioritized as being eligible for assistance based on the following:

1. Water Main Replacement
2. Sanitary Sewer Replacement/Rehabilitation
3. Street Rehabilitation/Reconstruction
4. Alley Paving
5. Street Lighting
6. Flood Control

Individual Applications

Within an eligible project, households eligible for 100% assistance will receive first consideration. Funding for households eligible to receive 50% assistance are considered last, pending on the funds available.

5. FORM OF ASSISTANCE

The City's special assessment assistance program will pay all or a portion of the **annual cost of the special assessment** levied on a particular property. The homeowner would apply for assistance each year on the basis of their annual household income.

Federal funds can only be used to make principle payments. In years where local funds are not available for this program, the assistance provided will only cover the principle payment due; the homeowner will be responsible for making the interest payment. If local funds are depleted, federal funds will still be made available to eligible homeowners as they are eligible for assistance, but will only cover the principle payment due.

6. RESPONSIBILITIES

The City of Fargo Engineering Department puts together public works project proposals, manages all public works projects, and notifies the Planning Department of upcoming capital improvement projects. The Special Assessment division provides the Planning department with district boundaries and cost estimates and will include notification of this program with the assessment notices that are mailed to property owners. The Planning Department processes all homeowner applications and verifies income.

Applicants are responsible for submitting the necessary paperwork to the City in a timely manner, and then paying the remaining balance of their special assessment, if the entire balance due was not paid with City funds.

7. ETHICS AND CONFLICTS OF INTEREST

The program will be administered in accordance with the City's existing conflict of interest and ethics policies.

8. CERTIFICATION OF FUNDING AVAILABILITY

This program provides assistance with a household's annual special assessment payment. The assistance is available annually as funds are available. Eligibility in one year does not automatically assure that assistance will be available in future years, nor does it constitute a commitment to provide assistance in future years.

The City of Fargo certifies that there may not be sufficient City funds to pay the entire special assessment of all qualifying applicants (as per section 5). If there are not enough funds available to pay the entire assessment of all qualifying applicants, priority will be given as outlined in section 4 of this Policy Statement.

9. APPLICATION SUBMITTAL

Applications should be submitted to:

Fargo Department of Planning and Development
200 3rd Street North
Fargo, ND 58102

Phone: 241-1474
Fax: 241-1526
E-mail: planning@FargoND.gov

MEMORANDUM

DATE: July 14, 2017
TO: Community Development Committee
FROM: Dan Mahli, Community Development Administrator
RE: 2016 Annual Report to HUD for CDBG & HOME grants

This memo highlights progress that has been made in the implementation of Fargo's Consolidated Plan for Housing and Community Development. It covers the time period of May 1, 2016 to April 30, 2017. During that time, the City received a CDBG award of \$678,229, an increase of \$9,523 from the prior year. Fargo received a HOME award in the amount of \$356,322, an increase of \$9,209 from the prior year. Community Development programs realized \$568,323 in program income revenue: \$158,124 from the City's HOME Participating Jurisdiction (PJ) program; \$10,000 from the HOME Department of Community Services (DCS) program; and \$400,199 from CDBG activities.

Fargo's Consolidated Plan outlines policy goals that are the focus of Fargo's community development activities. The following table lists the goals and the amount of CDBG and HOME funds spent in the 2016 program year. Of the total \$1.76 million in federal funds spent in 2016, 72% went to fund housing activities and 16% to neighborhoods. Efforts focus on affordability, with specific attention to affordable homeownership opportunities and rehabilitation. All of the non-administrative HOME funds went directly to housing activities, funding owner-occupied rehab and special housing projects. Nearly all of the projects identified in Fargo's action plan are complete or well underway.

	CDBG Funds Spent in 2016	<i>% of CDBG funds drawn</i>	HOME Funds Spent in 2016	<i>% of HOME funds drawn</i>	TOTAL FUNDS SPENT	<i>% of Total funds drawn</i>
1. Affordable Housing	\$571,310	55%	\$690,985	96%	\$1,262,295	72%
2. Homelessness	\$27,932	3%	\$0	0%	\$27,932	2%
3. Neighborhoods	\$278,672	27%	\$0	0%	\$278,672	16%
4. Fair Housing/Diversity	\$2,243	0%	\$0	0%	\$2,243	0%
5. Poverty Reduction	\$17,848	2%	\$0	0%	\$17,848	1%
6. Planning/Admin	\$144,845	13%	\$26,891	4%	\$171,736	9%
Total	\$1,042,850		\$717,876		\$1,760,726	



All of the activities undertaken by the City of Fargo in fiscal year 2016 met one of the three HUD National Objectives. Eighty-nine percent (89%) of CDBG activity expenditures provided benefit to low and moderate income households and/or areas; eleven percent (11%) was spent on the elimination of slum/blighted conditions. Seven percent (7%) of CDBG expenditures went to public service activities and thirteen percent (13%) was spent on Planning/Administration related activities. One hundred percent (100%) of non-admin HOME fund expenditures provided benefit to low-income households.

**Expenditure Summary
Action Plan Activities**

2016 Action Plan Activities	2016 CDBG Budgeted	2016 HOME Budgeted	Status	Funds Drawn in 2016	Funds spent by Project
1. Housing Rehab – Owner	43,965	261,502	Completed	540,985	100%
2. CHDO Housing Project	0	100,000	Pending	0	0%
3. Special Assessments	10,000	0	Completed	11,043	100%
4. Downtown Slum & Blight Projects	100,000	0	Completed	100,946	100%
5. Fargo Homeless Initiatives	75,000	0	Underway	21,764	29%
6. Snow Removal Assistance	2,000	0	Completed	820	41%
7. Metro Transportation Initiative	3,000	0	Completed	2,655	89%
8. Skills & Tech - Job Training	15,000	0	Completed	14,850	99%
9. High Plains Fair Housing Center	6,000	0	Underway	2,243	37%
10. FHRA Affordable Housing Project	500,000	0	Completed	500,040	100%
11. Golden Ridge Community Center	50,000	0	Underway	16	0%
12. Madison Neighborhood Skate/Bike Park	50,000	0	Completed	50,040	100%
13. Great Plains Food Bank	75,000	0	Cancelled	43	0%
14. Planning/Admin	135,645	35,632	Completed	121,897	71%
TOTAL	1,065,610	397,134		1,367,342	

The City of Fargo has complied with the grant management requirements associated with the CDBG and HOME programs in 2016 (timeliness, match contribution, and Community Housing Development Organization reserve) and as of the submission date, all projects are progressing according to schedule. A public comment period to review the City of Fargo Annual Performance Report for the 2016 Action Plan for Housing and Community Development is July 15 to July 29. The report is available for comment in the Fargo Planning Department, 2nd Floor at City Hall. Please let me know if you would like a copy.