



PLANNING AND DEVELOPMENT
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MEMORANDUM

Date: October 12, 2017
To: Community Development Committee
From: Dan Mahli, Community Development Administrator
Re: Community Development Committee Meeting on October 17

The next meeting of the Community Development Committee is Tuesday, October 17 at 2:30 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, October 17 – 2:30 p.m.
City Commission Room
AGENDA

1. Welcome
2. Approve Minutes
3. Update from the Skills and Development Project on job skills training & education for low-income and New American individuals
4. Update from the Fargo VA Medical Center on housing and support for veterans that are homeless
5. Update on 2018 Community Development grant application and calendar
6. Discuss creating a subcommittee to study community land trusts
7. Other business
8. 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 www.FargoND.gov/communitydevelopmentcommittee.



**COMMUNITY DEVELOPMENT COMMITTEE
MINUTES**

Regular Meeting:

Tuesday:

August 15, 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, August 15, 2017.

The Community Development Committee Members present were as follows:

Present: Commissioner John Strand (Chair), Mayor Tim Mahoney, Linda Klebe, Michael Redlinger, Shara Fischer, Lynn Fundingsland, 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 July 18, 2017

Mr. Fundingsland moved the minutes of the July 18, 2017 Community Development Committee meeting be approved. Second by Mr. Hill. All Members present voted aye and the motion was declared carried.

Item 3. Update from the Fargo Housing and Redevelopment Authority

Lynn Fundingsland, Fargo Housing and Redevelopment Authority (FHRA), presented a summary and overview of the public housing projects that are in need of rehabilitation which include the Lashkowitz High Rise, New Horizons Manor, and Pioneer Manor. He outlined the proposed plans to upgrade the buildings and the financial costs of the projects. Discussion was held on Fargo's current needs for public housing and the estimated needs in the upcoming years.

Item 4. Update on the Affordability Analysis

Community Development Administrator Dan Mahli gave a brief summary of the pilot Community Development Policy Fellowship held this summer.

Assistant Planner Tyrone Grandstrand presented a background of the affordability study and the goals of the Fellowship. Catlyn Christie, Katie Black, and Mary-Bianca Fuller, Community Development Policy Fellows, presented their research, findings, and recommendations on affordability to the Community Development Committee. Discussion was held on the three presented recommendations of the affordability study, which are to: 1) Establish a Community Land Trust (CLT); 2) Amend the Tax Increment Financing (TIF) policy to require affordability; and 3) Increase assistance for home energy retrofits.

Mayor Mahoney present.

Discussion continued on the implementation of these recommendations and the expectations of the City of Fargo.

Item 5. Review 2018 Community Development grant calendar, application, and goals

Mr. Mahli reviewed with the Board a summary of the Community Development Committee's goals and the 2018 Community Development calendar including the timeline of the grant application cycle as reviewed by the Community Development Committee's workgroup. He

added staff would like to proceed with the Community Development grant calendar, application, funding considerations, and goals for 2018.

Ms. Klebe moved to approve the application process as presented. Second by Ms. Fischer. On call of the roll Members McDonald, Eidenschink, Hill, Mahoney, Fischer, Fundingsland, Redlinger, Klebe, and Strand voted aye. The motion was declared carried.

Item 6. Other Business

Mr. Stand proposed exploring the availability of board members to change the meeting time to 2:30 p.m. instead of 3:00 p.m.

Mr. Grandstrand expressed thanks to Dr. Matthew Lindholm, Associate Professor at Concordia College, and his help with the Fellowship program.

Discussion was held on issues related to financing condominiums in relation to affordable housing.

Item 7. Adjourn

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

2018 COMMUNITY DEVELOPMENT CALENDAR

| DATE | ACTIVITY |
|-------------------|--|
| August 2017 | Community Development Committee review of 2018 CD grant application and goals |
| September 2017 | Community Development grant applications released |
| October 2017 | Deadline for submission of Community Development grant applications (Oct 27) Solicit public input for Fargo's Annual Action Plan for Housing and Community Dev |
| Nov/Dec 2017 | Community Development Grant Application review by staff |
| Dec 2017/Jan 2018 | Application review by Community Development Committee |
| January 2018 | Prepare Fargo's Housing and Community Development Annual Action Plan Social Service Fund recommendation to the City Commission Notify applicants about CDBG & HOME grant recommendations |
| February 2018 | 30-day public comment period for Annual Action Plan Annual Action Plan review by the Community Development Committee |
| March 2018 | Fargo City Commission public hearing and approval of the Annual Action Plan HUD review and approval of the Plan |
| May 2018 | Staff conducts and publishes Environmental Review and Impact Findings (FONSI) Staff conducts project compliance monitoring |
| June 2018 | Submit Environmental Review and Impact Findings (FONSI) to HUD and request release of CDBG and HOME funds Initiate Annual Performance & Evaluation Report FY2017 (CAPER) |
| July 2018 | 2018 contract year begins – Grant Award letter and release of funds notification from HUD Present Annual Performance & Evaluation Report to Fargo City Commission and HUD |
| August 2018 | Community Development Committee review of 2019 CD grant application and goals |

2018 COMMUNITY DEVELOPMENT BUDGET

| FUNDS ANTICIPATED | CDBG | HOME | NSP | CITY | TOTAL |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|
| 2018 Allocation from HUD (anticipated) | \$ 637,000 | \$ 336,000 | \$ - | \$ - | \$ 973,000 |
| City Social Service Fund | \$ - | \$ - | \$ 253,000 | \$ 253,000 | \$ 253,000 |
| Carryover/Unallocated | \$ 340,000 | \$ - | \$ - | \$ - | \$ 340,000 |
| NSP | \$ - | \$ - | \$ - | \$ - | \$ - |
| Program Income (anticipated) | \$ - | \$ 50,000 | \$ 400,000 | \$ - | \$ 450,000 |
| Total Available – Estimated | \$ 977,000 | \$ 386,000 | \$ 400,000 | \$ 253,000 | \$ 2,016,000 |

COMMUNITY DEVELOPMENT COMMITTEE

The Fargo Community Development Committee makes recommendations to the City Commission regarding development and oversight of the Community Development Block Grant (CDBG), HOME Partnership and City Social Service Grant funds, which are each separate grants that utilize the same application. The CD Committee's focus is on the following community development goals.

1) *Affordable Housing & Homelessness*

- Create or maintain affordable housing stock
- Increase homeownership
- Reduce homelessness in the community

2) *Poverty Reduction*

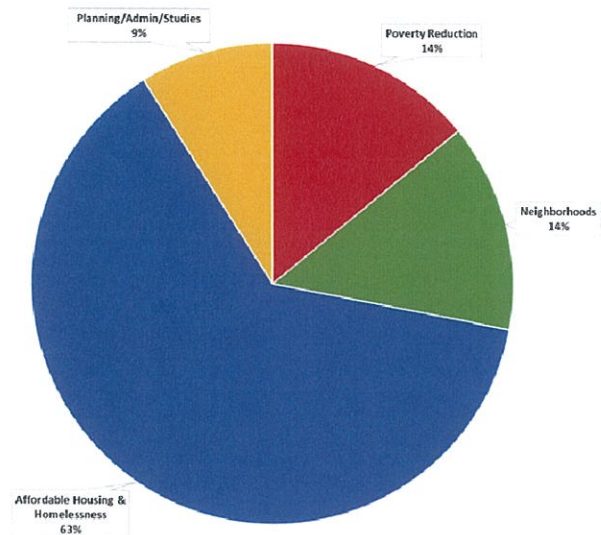
- Support efforts to increase self-sufficiency and personal well-being
- Expand economic opportunities for low-income individuals
- Promote the principles of fair housing and acceptance of diversity

3) *Neighborhoods*

- Help ensure that all Fargo neighborhoods are neighborhoods of choice
- Promote the development of downtown and older neighborhoods

4) *Planning/Administration*

- Use for administration of community development programs, general planning activities, and studies



Responsibilities

The Community Development Committee evaluates how the City's housing and development programs are working. It also examines new programs, proposed changes and grant/funding opportunities. In addition, the CD Committee may recommend and initiate special studies and plans.

Membership

The committee consists of:

- City Commission Liaison (chair): Commissioner John Strand
- Mayor/Vice Mayor: Mayor Tim Mahoney
- Fargo School Board member: Linda Boyd
- Planning Commission Chair: Shara Fischer
- Assistant City Administrator: Michael Redlinger
- Fargo Housing and Redevelopment Authority Director: Lynn Fundingsland
- At-large community reps (3): John Q. Paulsen, Linda Klebe and Samantha McDonald
- Ex-Officio members from the Downtown Community Partnership, United Way of Cass Clay, and FM Home Builders Association

Meeting Schedule and Location

The Community Development Committee meets on the third Tuesday of each month at 2:30 p.m. in the City Commission Room at Fargo City Hall.



Community Development Grants

Community Development Grants are made by the Fargo City Commission, with the recommendation of the Community Development Committee.

The City of Fargo will not fund:

- Partisan, political, or denominational programs
- Endowment campaigns
- Individuals
- Requests that are not in writing
- Programs located outside the City of Fargo, unless directly benefiting Fargo residents

Funding Considerations

| | |
|------------------------|--|
| Partnership | City grants can comprise no more than 30% of an organization's total operating budget |
| Size of request | Minimum grant award - \$1,000 Maximum grant award (non-capital) - \$25,000 |
| Type of request | The City prefers to fund buildings/facility/space needs but will consider overhead and operating expenses, as well as program-related expenses. ¹ Federal funds available for non-capital requests are limited and will generally be targeted to projects that are either new or expanding an existing level of service. The Community Development Committee intends to prioritize grant requests that support an organization's facility/space needs. |

Scoring

| | | |
|-----------------------------------|---|----------------|
| Program/ Services/ Housing | What service is being provided, how does it fit in the community, and who are the beneficiaries | 40 pts |
| Community Need | Proposal includes activities that link with stated community development goals | 25 pts |
| Program Management | Demonstrated capacity to manage proposed project | 20 pts |
| Organizational Management | Strength of organization's capacity for grant and mgmt | <u>15 pts</u> |
| | | 100 pts |
| BONUS: Targeted Priorities | Project addresses City's homelessness, senior, and workforce housing goals (+ up to 10 pts) | |

¹ Requests for ongoing organizational operating expenses are eligible if the programs offered by the organization are consistent with the City's community development goals.



Housing and Community Development Programs

Housing Rehab

The Fargo Housing Rehab Program preserves existing housing stock in the City's older neighborhoods by providing assistance to low and moderate income homeowners. With a little financial help, these homeowners can improve their homes and the overall condition of the neighborhood in which they live. Housing rehab assists homeowners to maintain their residences as safe, sanitary dwellings that meet local housing codes and helps prevent houses from becoming dilapidated properties. Since 1975, the program has assisted over 1,000 homeowners make more than \$12 million in home improvements. The Housing Rehab Program is funded with HOME and CDBG funds.

Neighborhood Revitalization Initiative (NRI)

The Fargo Neighborhood Revitalization Initiative (NRI) is a program designed to improve neighborhood quality of life and encourage investment in the City's existing housing stock in older neighborhoods. The program offers incentives for residents to renovate their owner-occupied houses by providing homeowners with a low-interest loan for significant home improvements (currently 2.25%). Loans are repayable over a 10-year term and can range from \$10,000 to \$75,000. Homeowners also sign a land use covenant that restricts the property to owner-occupancy. The program is funded locally.

Special Assessment Assistance

The Special Assessments Assistance Program helps 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. Property owners who are assessed for eligible projects with an assessment that is greater than \$500 can apply for this program. The assistance is targeted to projects that replace/upgrade infrastructure in existing neighborhoods. It is funded with local and Community Development Block Grants from HUD.

Snow Removal Assistance

The City of Fargo funds a program that helps low income elderly and/or disabled homeowners pay for snow removal. The City pays a contractor to remove snow from sidewalks and walkways for persons who are eligible for the service. To be eligible, a person must live in a household where the annual income is at or below 60% of the area median.

Storefront Rehab/Downtown Projects

The Storefront/Downtown Rehab Program is designed to renovate deteriorated properties and eliminate conditions of blight in the downtown area. Interested property owners may apply for a 50% matching grant, which can be used to complete the rehabilitation of a building exterior, demolish blighted buildings for redevelopment, or to make other exterior improvements. Since 2000, 90 projects have been completed utilizing over \$1.2 million in CDBG funds to leverage millions of dollars invested in downtown.

Homebuyer Assistance

First-time homebuyers in Fargo are eligible to receive down payment and closing cost assistance from the ND Housing Finance Agency to purchase a home in Fargo. The Down Payment and Closing Cost Assistance (DCA) program provides zero-interest deferred payment loans to help low and moderate income households meet closing cost requirements. Homeowners are eligible to receive the greater of \$3,000 or 3% of the purchase price of the home. Funds for the program are HOME funds from HUD to the ND Department of Commerce.

Residential New Construction Tax Exemption & Remodeling Tax Exemption

Newly constructed single family, duplex, townhome, or condominium properties may be eligible for an exemption on part of their valuation for up to two taxable years following the taxable year that construction began. In addition, existing buildings that are at least 25 years old are also eligible for an exemption on the increase in valuation resulting from the remodeling project. The residential tax exemption programs are administered by the Assessment Dept.

Community Development Projects

Community Development projects include grants and zero-interest loans for unique projects that serve low-to-moderate income individuals, families and neighborhoods. These projects include Community Development housing projects, the Gladys Ray Shelter and Veterans Drop-In Center, the Emergency Food Pantry relocation project, Habitat for Humanity projects, High School student build partnerships, and various neighborhood activities, to name a few.