

Community Development Block Grant (CDBG)
City of Bloomington
2021 Action Plan Summary

Introduction

The City of Bloomington will utilize Community Development Block Grant (CDBG) funds to achieve a number of goals that best serve the citizens of Bloomington. The City will use its entitlement funds to achieve the goals/outcomes that are identified within the proposed 2021 Action Plan and the overall goals of the 2020-2024 Consolidated Plan, which was approved last year. The City has incorporated performance measures into the 2021 Action Plan to ensure that the Plan is results orientated and that it meets it's the City's one and five year goals. The planned activities serve a large number of low/moderate income households. Overall, at least 80 percent of the grant will be expended on activities for low/moderate income households in Bloomington.

Approval Process

The CDBG program requires a new Action Plan every year and a Five-Year Consolidated Plan every five years. The City is a member of a consortium with other entitlement cities (Eden Prairie and Plymouth) and Hennepin County for the CDBG program. The Action Plan will be available for public comment at public hearings before the City Council and the County Board of Commissioners in April. There will also be a 30-day period for written comment. The approved Action Plan will then be submitted to the Department of Housing and Urban Development (HUD).

Summary of the objectives and outcomes identified in the Plans

The City will carry out activities that will provide for the preservation of the City's housing stock, provide essential services to seniors, and enable homeownership opportunities to low/moderate income families and to support Fair Housing activities.

The activity to receive the largest amount of funding is the single-family rehabilitation program which serves low/moderate income homeowners with low interest loans to repair/update their homes. The rehabilitation loan program is coupled with the lead-based paint activity to assist in the abatement of lead hazards in pre-1978 homes utilizing CDBG funds. In this way, the City is ensuring that no threats remain to the health of occupants from lead paint. This activity serves low/moderate income households at or below 80% median.

- The goal for this activity is to serve 30 homeowners with rehab loans during the 2021-2022 Program Year. The rehab activity will be funded with approximately \$818,378 this year. The final amount will be dependent on carry-over funds from the current year and the amount of re-payments of old loans during the Program Year.
- The lead-based paint abatement activity will be funded with \$25,000 for the Program Year. This activity pays for initial and clearance testing of rehab loan recipients' homes.

The City will provide CDBG funds to Senior Community Service's (SCS) Household and Maintenance for the Elderly (HOME) Program to provide outside maintenance and home making services to low/moderate income seniors. This is an important service that allows seniors to continue to reside in their homes.

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- The goal for this activity is to serve 100 seniors through the HOME program for each of the five years of the Consolidated Plan. HOME will be funded with \$20,000 for this year of the Action Plan.

The City will increase funding for a homeownership activity this year by assisting the West Hennepin Affordable Housing Land Trust (WHAHLT) complete two purchase/rehab projects within Bloomington during the 2020-2021 program year. Doing business as “Homes Within Reach”, WHAHLT will resell the homes to low/moderate income families. The CDBG funds will be used as gap financing to assure the home is affordable to the buyer after the rehabilitation. The structure of the land trust guarantees long-term affordability of the home by requiring the owner to resell the home to another low/moderate income family. The land trust retains ownership of the land.

- The goal for this activity is to provide an affordable home-ownership opportunity to two low/moderate income households in Bloomington during the 2021-2022 Program Year for a total of \$150,000 in CDBG funds.

Lastly, the City contributes to the metro-wide Fair Housing Implementation Council (FHIC) for Fair Housing Services. The City will allocate funds for the continuation of Fair Housing Services in the suburban metro (including Bloomington). These funds may be used for education and research, housing discrimination testing and enforcement and Fair Housing counseling and clearinghouse activities.

- The goal for this activity is to provide funding of \$5,000 to fair housing activities during the 2021-2022 Program Year.