

Community Development Block Grant (CDBG)
City of Bloomington
2022 Annual Action Plan Substantial Amendment Summary

Introduction

The City of Bloomington will utilize Community Development Block Grant (CDBG) funds to achieve many 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 2022 Action Plan and the overall goals of the 2020-2024 Consolidated Plan, which was approved in 2019 and amended in 2022. The city has incorporated performance measures into the 2022 Action Plan to ensure that the Plan is results orientated and that it meets it's and the City's one- and five-year goals. The planned activities serve many 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 HOME program. The Action Plan is made available for public comment at public hearings before the City Council and the County Board of Commissioners. There is a 30-day period for written comment. The approved Action Plan will then be submitted to the Department of Housing and Urban Development (HUD). When the City proposes changes to the activities or funding amounts in the approved Annual Action Plan, an amendment must be completed, using the Citizen Participation Plan that allows for transparency with the public for funded activities and projects.

Summary of the substantial amendment

The City of Bloomington will carry out CDBG funded eligible activities that will provide for the preservation of the City's housing stock, provide affordable housing options, provide essential services to seniors, families, individuals, and support Fair Housing activities. A substantial amendment is defined as adding a new project or increasing or decreasing the funding amount by at least \$100,000. A substantial amendment requires a 30-day public review and comment period.

The city's CDBG allocation will be used for housing rehabilitation, energy improvements, accessibility improvements and emergency repairs for the purpose of maintaining decent affordable housing. 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.

- This activity is on a revolving loan fund basis in which the repayment of single-family rehabilitation loans is used to provide new loans. The City would close reprogram from the Revolving Loan Fund to Program Income to allow for continued single-family rehabilitation loans as well as other CDBG eligible and approved activities.

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The City will provide CDBG funds to assist in the creation of new rental housing opportunities affordable at or below 80% area medium income households with a focus on households at or below 60% area medium income.

- The goal for this activity is to rehabilitate energy efficiency, accessibility and/or health and safety items in 41 affordable rental housing units, owned by the HRA, to maintain safe and affordable rental housing for at least 15 years using approximately \$213,658.

The City will also encourage neighborhood revitalization through funding of activities to improve blighted, deteriorated, undeveloped, or inappropriately developed real property preventing sound community development and growth.

- The goal for this activity is to provide for the acquisition and/or demolition/clearance for affordable housing opportunities by the HRA, using approximately \$400,000.