

Community Development Block Grant (CDBG)  
City of Bloomington  
2023 Annual Action Plan Summary

Introduction

The City of Bloomington will utilize Community Development Block Grant (CDBG) funds to achieve several 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 2023 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 2023 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 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 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 of Bloomington will carry out activities that will provide for the preservation of the City's housing stock, provide affordable housing options, provide essential services to seniors, families, and individuals, and support Fair Housing activities.

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.

- The goal for this activity is to serve 30 homeowners with rehab loans during the 2023-2024 Program Year. This activity is proposed to use prior year program income and estimated current year program income to fund. The final amount will be dependent on carry-over funds from the current year and the total amount of re-payments of outstanding loans received during the Program Year. The lead-based paint abatement activity is included and will be funded with total funding for the Program Year. This activity pays for initial and clearance testing of rehab loan recipients' homes.

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The City will provide CDBG funds for 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.

- The goal for this activity is to serve 100 seniors through the program for each of the five years of the Consolidated Plan. This activity will be funded with \$45,000 for this year of the Action Plan.

The City will provide CDBG funds for youth counseling and programming to support education outreach and services for youth.

- The goal for this activity is to serve up to 100 youth using approximately \$23,508 for this year of the Action Plan.

The City will also fund activities for acquisition, rehabilitation, and re-sell of single-family property to income qualified homebuyers. The CDBG funds will be used as gap financing to assure the home is affordable to the buyer after the rehabilitation and with long-term affordability of the home by requiring the owner to resell the home to another low/moderate income family.

- The goal for this activity is to provide an affordable homeownership opportunity for up to three low/moderate income households in Bloomington during the 2023-2024 Program Year for a total of \$150,000 in CDBG funds.

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. This activity will be funded with \$146,873 for this year of the Action Plan.

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. This activity is proposed to use prior year carry over funds and estimated program year program income to fund.

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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 2023-2024 Program Year.

Lastly, the City has general administration expenses for the program in the amount of \$86,345 for the 2023-2024 Program Year.