

A. Issue

Review and approval of 2024 Community Development Block Grant (CDBG) funding requests.

B. Background/Options

The CDBG Committee met in December, 2023 to review applications and set funding levels for the City's 2024 CDBG program year based on an estimated \$1,000,000 grant award. The City recently received the official funding notice from the Department of Housing and Urban Development (HUD) that the City's 2024 CDBG grant award is \$1,002,060, a \$2,060 increase from the estimated amount.

CDBG funds are broken into three project categories: (1) Administration/Planning, (2) Public Services, and (3) Public Facilities, Economic Development, and Rehabilitation. Per HUD's regulations, Administration/Planning funds are limited to 20% of the total grant award and Public Services funds are limited to 15% of the total grant award. There is no funding cap for the Public Facilities, Economic Development, and Rehabilitation category.

Attached you will find a breakdown of the 2024 funding requests along with a brief project summary, and the recommendation for 2024 grant funding. These projects and their ultimate funding amounts will be included in the 2024 CDBG Annual Plan submitted to HUD.

Given the applications and funding requests received, HUD's spending cap regulations, and the CDBG Committee's recommendations, the proposed final 2024 CDBG funding levels are as follows:

- In the Administration category (page 1 of attached table), Fair Housing is funded to include a small increase over 2023 funding level. General Administration request is funded to balance the Administration and Planning category.
- In the Public Service category (page 2 of attached table), the total requests exceeded the public service cap so funding requests were adjusted by the CDBG Committee. Further adjustments were made upon receiving the Notice of 2024 Grant Award by increasing the CDBG Committee recommended funding to each organization by approximately \$99.
- In the Public Facilities category (page 3 of attached table), all projects are proposed to be funded to the level recommended by CDBG Committee except for the CDA's request which is modified to balance out the total amount of the 2024 grant award.

C. Fiscal Impact

There is no direct impact on the City budget as a result of CDBG funding.

D. Recommendation

Approval of 2024 CDBG funding levels with a Level III fund transfer and final approval given by the Common Council.