



City of Grand Forks  
Staff Report  
Committee of the Whole – June 24, 2019  
City Council – July 1, 2019

**APPROVED & ACCEPTED**  
by City Council

07/01/2019

*Maureen Storstad*  
Maureen Storstad  
City Auditor

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**Agenda Item:** 2019 HOME Program Funds

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**Submitted by:** Meredith Richards, Community Development Director

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**Staff Recommended Action:** Authorize submitting a request to NDDCS to de-obligate Grand Forks' 2019 HOME Program set-aside of \$350,000 and award it to Red River Valley Community Action to provide housing rehab services to income-eligible households within Grand Forks' City Limits.

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**Committee Recommended Action:**

Refer to City Council with the recommendation to approve.

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**Council Action:** Motion by Weber, second by Dachtler, to approve. Motion carried unanimously.

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**BACKGROUND:**

The North Dakota Dept. of Commerce's Division of Community Services (DCS) administers an annual allocation of approximately \$3 million in HOME Program funds that it re-allocates to affordable housing providers and projects throughout the state. The City of Grand Forks typically receives an annual set-aside of \$335,000 for projects plus \$15,000 for program administration. A plan for the use of these funds is due to DCS by August 1.

Red River Valley Community Action (RRVCA) has administered the HomeCents Program for about ten years. This program provides low-cost, low-interest loans to income-eligible homeowners to assist with rehabbing single-family homes; this not only helps the individual borrowers, but also helps maintain Grand Forks' affordable housing stock and older neighborhoods. The program was capitalized with CDBG funds beginning in 2006 but has recently operated solely as a revolving loan fund (RLF), typically expending about \$190,000 and rehabbing 8 homes per year. Last year it was discovered that the RLF balance was well below previous projections and there was not sufficient funding for it to operate at normal levels. These HOME funds offer an alternate funding source for single-family housing rehab in Grand Forks, thereby maintaining the current level of service in the community while the HomeCents RLF rebuilds and becomes self-sustaining again.

**ANALYSIS AND FINDINGS OF FACT:**

- HOME Program funds are provided by the US Dept. of Housing & Urban Development. They may be used only for housing-related activities that assist low- to moderate-income households. Each year, the City must provide a plan to DCS for its proposed use of HOME.
- For the past five years, City Council approved allocating HOME funds to projects submitted by the Grand Forks Housing Authority, the primary local provider of affordable rental housing. Projects included: rehab of Riverside Manor, construction of the LaGrave on 1st "housing first" facility, rehab of LaGrave on 4th and the Elmwood Apartments. Prior to 2014, the HOME funds were typically allocated to the City's American Dream first-time homebuyer assistance program.
- RRVCA already operates a HOME-funded rehab program that receives \$140,000/year from NDDCS. While RRVCA can expend those funds throughout Grand Forks County, the subject HOME funds would be restricted to properties within the Grand Forks City Limits.