



City of Grand Forks
Staff Report
Committee of the Whole – March 9, 2020
City Council – March 16 and April 20, 2020

Agenda Item: Funding for 2020 CDBG and Community Services Grant Programs; Approval of 2020-24 Consolidated Plan (Con Plan), Citizen Participation Plan (CPP), and Analysis of Impediments to Fair Housing Choice (AI)

Submitted by: Meredith Richards, Community Development Director

Staff Recommended Action: 1) Review 2020 CDBG and Community Services Grant Program funding recommendations; 2) review draft Con Plan, CPP and AI; 3) set April 20 as the public hearing date to take final action on above; and 4) approve any necessary budget amendments.

Committee Recommended Action: Refer to City Council with the recommendation to approve.

Council Action – March 16: Set April 20 public hearing

Council Action – April 20:

BACKGROUND:

On December 8, 2018, City Council approved contracting with Root Policy to assist with development of the City's 2020-24 Consolidated Plan and associated updates to the Citizen Participation Plan (CPP) and Analysis of Impediments to Fair Housing Choice (AI). These and other documents are required by HUD as a condition of receiving CDBG funds as an entitlement community. Jen Garner from Root gave a preliminary presentation regarding the Con Plan process and initial findings on December 2, 2019. Draft documents have since been prepared and are on the City website (<https://www.grandforksgov.com/government/city-departments/community-development/community-development-reports>). The Con Plan executive summary is attached.

On December 16, 2019, City Council authorized proceeding with the 2020 CDBG allocation process along with the new, locally funded Community Services Grant (CSG) Program. CSGs are meant to supplement the limited operational support available via CDBG, with the application/allocation process for both running concurrently. The deadline for applications was January 31. The Community Advisory Committee (CAC) met on February 19 to review the priority needs and associated goals/strategies for CDBG funds for the next five years; the CAC met again on March 4 to rank 2020 applications and hold a public hearing. This agenda item combines approval of the 5-year Con Plan documents with approval of 2020 funding recommendations.

Seven applications requesting \$1,744,080 were received for \$423,000 in CDBG Bricks & Mortar funding; fourteen applications requesting \$320,000 were received for \$220,700 in operational funds (\$95,000 in CDBG + \$125,700 in CSG). Application summaries are attached. Staff was recently informed by HUD that Grand Forks' actual 2020 CDBG allocation is \$455,668; the estimated budget when the program was initially reviewed by City Council and advertised was \$420,000. The additional \$35,668 has been incorporated in the following recommendations and proposed 2020 CDBG budget.

2020 OPERATIONAL SUPPORT RECOMMENDATIONS

Agency	Project	TOTAL	AVG.	Amount Requested	CDBG Funding	CSG Funding
Red River Valley Community Action	Emergency Shelter Operating Funds	29	4.14	\$10,000	\$10,000	
Prairie Harvest Mental Health	Life Skills/Job Development	31	4.43	\$25,000	\$25,000	
Development Homes Inc.	In-Home Transportation Program	31	4.43	\$25,000		\$25,000
The Salvation Army	Emergency Assistance	37	5.29	\$25,000	\$10,000	\$15,000
Global Friends Coalition	Family Mentors and Adult Education	37	5.29	\$25,000		\$25,000
Grand Forks Homes, Inc.	Homeless Families Case Manager	42	6.00	\$25,000	\$25,000	
Northlands Rescue Mission	Operating Funds	43	6.14	\$25,000	\$25,000	
Grand Forks Housing Authority	Starting Out Right Move-In Assistance	44	6.29	\$25,000		\$25,000
Spectra Health	Vision 2020: Optometry Services	44	6.29	\$25,000		\$25,000
Red River Valley Habitat for Humanity	Operating Expenses	47	6.71	\$25,000		\$10,700
TOTAL				\$235,000	\$95,000	\$125,700
The following applications did not receive 60% of YES votes and thus were not included in the priority ranking.						
Lutheran Social Services of ND	Family Strengthening Services					
Santa Claus Girls	Operating Funds					
Community Violence Intervention Center	CVIC Initial Crisis Response Services					
St. Joseph's Social Care	Operating Funds					

2020 BRICKS & MORTAR RECOMMENDATIONS

Agency	Project	POINT TOTAL	AVG.	Amount Requested	Amount Recommended
Centre Inc.	Emergency Services Expansion	17	2.43	\$82,080	\$82,000
Phoenix Elementary School	Phoenix Inclusive Playground	18	2.57	\$151,400	\$103,000
St. Joseph's Social Care	Restroom Renovation	21	3.00	\$56,600	\$50,000
Faith and Hope LP (Grand Forks Homes)	Rehab of Oakwood, Redwood, and Westwood Group Homes/Apartments	24	3.43	\$265,000	\$155,000
Northlands Rescue Mission	Heat System Upgrade	25	3.57	\$99,000	\$33,000
TOTAL				\$654,080	\$423,000
The following applications did not receive sufficient "yes" votes to be ranked:					
Grand Forks Housing Authority	GFHA Efficiency Unit Development			\$390,000	
Grand Forks Housing Authority	Jackson Flats			\$700,000	

ANALYSIS AND FINDINGS OF FACT:

- The Community Advisory Committee (CAC) advises City Council on community development issues and the prioritization, appropriateness, need and effectiveness of CDBG-funded activities. The CAC met regarding Con Plan issues on October 25, 2019, and February 19, 2020. On March 4, the CAC ranked applications and held a public hearing on the performance of the City's CDBG program. No public comment was received.
- On March, 4 the CAC heard brief applicant presentation. Immediately thereafter, CAC members gave each request a YES or NO vote; only applications receiving at least 60% YES votes advanced to ranking. The CAC then ranked the remaining applications. Staff assigned funding recommendations accordingly, which were provided to the CAC the following day.
- The HomeCents RLF Program is budgeted at \$175,000, which would fund approximately 7 rehab projects. Since it operates as a revolving loan fund, however, its expenditures are constrained by actual receipts.

SUPPORT MATERIALS:

- Proposed 2020 CDBG budget and CAC membership
- Application summaries
- Consolidated Plan Executive Summary

PROPOSED 2020 CDBG BUDGET

<u>Sources</u>		<u>Uses</u>	
Entitlement	455,668	Administration	127,668
Program Income	<u>190,000</u>	Bricks & Mortar:	423,000
<i>Subtotal</i>	646,668	Centre Emergency Intake Svcs	82,000
HomeCents RLF Receipts	<u>175,000</u>	Phoenix Playground	103,000
	820,668	St. Joseph's Restroom	50,000
		Grand Forks Homes Rehabs	155,000
		Mission HVAC	33,000
		Public Service:	95,000
		RRVCA Emergency Shelter	10,000
		Prairie Harvest Mental Health	25,000
		Salvation Army	10,000
		Grand Forks Homes	25,000
		Northlands Rescue Mission	25,000
		HomeCents Program Operations	<u>175,000</u>
			820,668

COMMUNITY ADVISORY COMMITTEE

Becca Baumbach, Community Foundation
 Tiffany Boespflug, Public Health
 John Colter, Board of Realtors/Apt. Assoc.
 Deb Davis, NEHSC
 Collin Hanson, Evolve Grand Forks
 Scot Hoeper, County Social Services
 Tori Johnson, Retired (School District)
 Craig Knudsvig, Retired (Housing Authority)
 Sandi Marshall, City Council (Development Homes)
 Chief Mark Nelson, GFPD
 Ann Sande, Retired (City Council, service clubs)
 Cynthia Shabb, Global Friends, NPBA
 Barry Wilfahrt, The Chamber

2020 Operating Funds Applications

Agency	Title	Description	Amount Requested	Other Funds	Total	Proposed Beneficiaries
The Salvation Army	Emergency Assistance	Direct emergency assistance (rent, utilities, meds, etc.)	\$25,000	\$20,000	\$45,000	700 people
Prairie Harvest Mental Health	Life Skills & Job Development Programs	Wellness and recovery services for adults with serious mental illness	\$25,000	\$94,727	\$119,727	43 people
Red River Valley Community Action	Emergency Shelter Operating Funds	Operating costs for Ernie Norman (women and children) shelter	\$10,000	\$6,000	\$16,000	42 people
Lutheran Social Services	Family Strengthening Services	Free preventive and early intervention services for at-risk families	\$25,000	\$347,616	\$372,616	480 people
Santa Claus Girls	Operating Funds	Purchase office & storage equipment plus operating costs	\$10,000	\$1,200	\$11,200	1300 people
CVIC	Crisis Response Services	Crisis line and shelter operations	\$25,000	\$96,833	\$121,833	632 people
RRV Habitat for Humanity	Operating Funds	Operating funds plus purchase of computer equipment	\$25,000	\$0	\$25,000	1 hshld
Development Homes	In-Home Transportation Program	Transport of adult clients to and from work or day programs	\$25,000	\$14,936	\$39,936	20 people
Global Friends Coalition	Family Mentors and Adult Education Classes	Help New Americans learn English, build connections, gain job skills and citizenship	\$25,000	\$25,675	\$50,675	150 people
Grand Forks Homes	Homeless Family Case Manager	Case management for homeless applicants/residents	\$25,000	\$62,250	\$87,250	80 people
Grand Forks Housing Authority	Starting Out Right Move-In Assistance	Move-in assistance to families who commit to seeking self-sufficiency	\$25,000	\$14,300	\$39,300	50 hshld
Spectra Health	Vision 2020 Optometry Services	Add optometry to available services	\$25,000	\$210,000	\$235,000	650 people
St. Joseph's Social Care	Operating Funds	Direct emergency assistance and operating funds	\$25,000	\$66,480	\$91,480	105 people
Northlands Rescue Mission	Operating Funds	Operating funds	\$25,000	\$1,152,200	\$1,177,200	500 people
TOTAL		TOTAL	\$320,000	\$2,112,217	\$2,432,217	
		TOTAL AVAILABLE	\$220,700			

2020 CDBG Bricks & Mortar Applications

Agency	Title	Description	Amount Requested	Other Funds	Project Total	Proposed Beneficiaries
Phoenix Elementary School via GF Foundation for Education	Phoenix Inclusive Playground Project	Install playground at Phoenix Elementary School (a Title 1 school)	\$151,400	\$0	\$151,400	204 (120 LMI) people
Centre Inc.	Emergency Services Expansion	First floor renovation to provide 24/7 behavioral health intake services	\$82,080	\$30,000	\$112,080	155+ people
Grand Forks Housing Authority	Efficiency Unit Development	Acquire/rehab hotel to provide units for young adult and elderly households and emergency shelter for homeless families	\$390,000	\$1,750,000	\$2,140,000	50 hshld
Grand Forks Housing Authority	Jackson Flats	Site acquisition for construction of 40-unit LIHTC elderly housing	\$700,000	\$7,721,475	\$8,421,475	40 hshld
Faith and Hope LP (Grand Forks Homes)	Rehab of Oakwood, Redwood, Westwood	Misc rehab work at 24 units of affordable housing	\$265,000	\$28,400	\$293,400	24 hshld
St. Joseph's Social Care	Restroom Renovation	Renovate restrooms for code compliance	\$56,600	\$0	\$56,600	1070 people
Northlands Rescue Mission	Heat System Upgrade	Replace temperature control valves	\$99,000	\$0	\$99,000	500 people
		TOTAL	\$1,744,080	\$9,529,875	\$11,273,955	
		TOTAL AVAILABLE	\$423,000			

Executive Summary

City of Grand Forks

2020–2024 Consolidated Plan

The City of Grand Forks annually receives federal Community Development Block Grant (CDBG) funds through the U. S. Department of Housing and Urban Development (HUD), which requires grantees to develop a Five-Year Consolidated Plan that include community development goals for the next five years (2020-2024).

What is the Consolidated Plan?

The primary purpose of the Consolidated Plan is to strategize and implement how funds will be allocated to housing and community development activities during the five-year planning period. A Consolidated Plan is required of any city, county or state that receives federal block grant dollars for housing and community development funding from HUD. The **purpose of the Consolidated Plan** is:

- To identify a city's, county's or state's housing and community development needs, priorities, goals and strategies; and
- To stipulate how funds will be allocated to housing and community development activities during the five year planning period.

The Consolidated Plan is also a tool for priority-setting and targeted investment planning for housing and community development. These tools are designed to support need-driven, place-based decisions and informed public participation in guiding funding decisions in the next five years for Community Development Block Grant (CDBG) funds. The primary objective of this program is to develop viable urban communities by providing decent and affordable housing, a suitable living environment, and economic opportunities, principally for persons of low- and moderate-income. Potential programs include: housing rehabilitation, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers or public services.

The Grand Forks Five-Year Consolidated Plan examines the demographic and economic status of the community, evaluates the housing market and looks at needs that exist in the community in the areas of homelessness, special needs, housing and community development. The plan outlines goals and strategies for addressing the identified needs. This document also includes the 2020 Annual Action Plan, which is the first of five action plans that will compose the implementation portion of the document.

CDBG funds will be used to meet the goals and objectives established by the Community Advisory Committee (CAC) and approved by the Grand Forks City Council. The City's Community Development Department will pursue the goals and objectives by working with citizens, the non-profit community, stakeholders, government agencies, housing providers, and other partners to provide decent housing, a suitable living environment and economic opportunities for low-to-moderate income households.

The City of Grand Forks will strive to meet the goals and objectives identified in the plan over the next five years. Goals are based on assumptions about future funding levels for the CDBG program. Because funding levels are subject to annual Congressional appropriations, as well as potential changes in funding distribution formulas, the projected accomplishments and planned activities are subject to change with availability of funding.

Evaluation of Past Performance

Projects slated to be completed in 2019 include the construction of a learning center at a residential treatment facility for adolescents experiencing serious mental health issues, rehabilitation of the foundation at a facility that serves LMI residents, skate park improvements to existing park serving low/mod area, rehabilitation of a multi-unit rental housing structure, rehabilitation of multiple single unit housing structures, and the installation of platform lift to allow clients to access group therapy and other support services in lower level of agency that serves victims of sexual assault/domestic violence.

Since the 2015-2019 Consolidated Plan was completed, some needs in the city have changed. There is a growing demand for affordable childcare and programs to address the needs of special populations, especially those challenged with substance abuse. Affordable housing is in greater demand and homelessness is more acute.

Community Engagement

Grand Forks conducted a comprehensive citizen participation process to receive input from residents and stakeholders on the city's housing, community development, and economic needs comprised of:

- A resident survey with 625 participants, of whom 45 percent rent and 11 percent are precariously housed;
- A focus group with residents with disabilities;
- A focus group with residents who are New Americans;
- Focus groups and interviews with housing and community service providers; and
- A workshop with the Community Advisory Committee to prioritize needs identified in the Consolidated Plan development.

In addition to the community engagement conducted to support development of the Consolidated Plan, the City of Grand Forks conducted a Public Comment Period for the draft plan, including a public hearing.

Summary of Needs

In developing this Consolidated Plan, the City of Grand Forks designed a process that comprehensively considered the needs of low and moderate income, homeless, and special needs populations in the community, regardless of whether the identified need is eligible for HUD funding. The intent is for the findings from the Consolidated Plan to guide not only how the City strategically invests its HUD funds, but also other community-based efforts to increase the resiliency and economic and social stability of the city’s most vulnerable residents.

Housing needs now and in the future. The most significant housing needs in Grand Forks are cost burden and severe cost burden for both low and moderate income renters and owners. By household type, small related and elderly households, both owner and renter, are most affected by cost burden and severe cost burden. A model of current and future housing needs developed for this study projects that, during the 5 years of this Consolidated Plan, housing needs in the City will grow, as shown in Figure 1.

Figure 1.
Current and Projected Housing Needs by Household Type

Housing Needs	2019	2024
Household Type		
Extremely low income families	3,730	3,980
Very low income families	2,095	2,236
Low income families	1,235	1,318
Moderate income families	360	380
Renters	6,065	6,472
Owners	1,595	1,702
Elderly households	1,280	1,366
Single person households	1,665	1,777
Large family households	425	454
Limited English Proficiency households	159	170
Households with a member with a disability	1,550	1,654
Households with a domestic violence survivor	56	60

Source: Root Policy Research.

Homeless needs. In addition to prevention services, high priority homeless needs include: family shelter, day shelter, and access to supportive services and health care, especially mental health and addiction services, to address underlying causes and conditions. For unaccompanied youth, particularly those who become homeless after aging out of the

foster care system, there are no programs or services available to adequately prevent homelessness or to transition from homelessness to independent living.

Non-housing community development needs. In focus groups and interviews, stakeholders' and residents' discussions of non-housing community development needs focused on resources to increase housing, economic, and social stability among Grand Forks' low and moderate income residents, those who are homeless or at risk of homelessness, and other special needs populations. This includes:

- Childcare (availability, quality, cost);
- Lack of landlord/tenant mediation resources, eviction prevention services;
- Public transportation difficulties (routes, hours of service, days of service);
- Lack of supportive services/stability services, including case management; and
- Prevalence of low wage job opportunities in Grand Forks.

Highest Priority Issues Contributing to Needs

Based on the needs assessment, market analysis and community engagement process, members of Grand Forks' Community Advisory Committee identified the housing, economic, and community development issues contributing to the disproportionate housing needs experienced by the city's low and moderate income residents, residents experiencing or at risk of homelessness, and special needs populations:

- Low wages, lack of high paying jobs;
- Childcare (availability, quality, cost);
- Lack of landlord/tenant mediation resources, eviction prevention;
- Public transportation;
- Homeownership gap, lack of starter homes;
- Workforce shortage;
- Lack of supportive services/stability services;
- Rental gaps;
- Market rate affordable rentals concentrated within certain neighborhoods; and
- Accessible, affordable housing for elderly and people with disabilities.

Desired Outcomes

To synthesize the underlying issues driving needs, Grand Forks developed the following desired outcomes toward which investments will be directed:

- Moderate income renters who qualify can achieve homeownership;
- More rental units are affordable to low income households;
- Low income households can easily access needed services;
- Lack of childcare is not a barrier to employment;
- Community provides case management, community navigators; and
- People can find jobs that pay living wages, and access training for those jobs.

Guiding Principles

To assist with prioritizing scarce resources, the CAC identified several guiding principles for investing the City’s local, state and federal resources to achieve the desired outcomes in Grand Forks. The City and the CAC will use these principles and the City’s policies to guide project selection for CDBG and HOME funds.

- The public sector has a role;
- The private sector, including nonprofits, are valued partners;
- There is no silver bullet—markets are dynamic;
- Housing investments should focus on market failure;
- Community development investments should focus on infrastructure;
- Resources should prevent a crisis from becoming a catastrophe;
- Invest in services to support housing stability and resilient households; and
- Work does not end but evolves as needs change.

Highest Priority Needs, Goals and Strategies

The highest priority needs in Grand Forks identified in the Consolidated Plan Analysis for housing, persons who are homeless, non-homeless special needs populations, and non-homeless community development are:

Housing Needs:

- Significant gaps in rental housing affordable to LMI renters and special needs populations;
- Lack of affordable ownership products;
- Poor condition of owner-occupied housing;
- Need for accessibility modifications for special needs populations; and
- Housing and supportive services for youth aging out of foster care.

Homeless Needs:

- Homeless shelters that serve families;
- Day shelter services;
- Additional services and treatment beds for people with substance use disorders;
- Case management support and training for homeless people; and
- Increased funding and services for people with serious mental illness.

Special Needs Populations:

- Households with disabilities in need of housing assistance;
- Households with disabilities in need of modifications/accessibility; and
- Behavioral health/addiction treatment and access to mental health care.

Non-Housing Community Development Needs:

- Lack of childcare – available/affordable;
- Lack of landlord/tenant mediation resources/eviction prevention;
- Fair housing outreach and education;
- Public transportation difficulties;
- Lack of supportive services/stability services, including case management to promote self-sufficiency and economic independence;
- Prevalence of low-wage job opportunities; and
- Public facilities/improvements targeted to special needs populations.

Goals and strategies. Figure 2 summarizes the types of activities Grand Forks will pursue to address these highest priority needs, including quantified five-year goals for each.

Figure 2.
Goals/Strategies by Need Category

PRIORITY NEED	Affordable Housing	Homelessness	Special Needs Populations	Non-Housing Community Devt
GOALS/STRATEGIES Goal Outcome Indicator GOI Unit of Measure 5-year goal	Provide capital support to supportive housing facilities (to include homeless adults, youth, families and special needs populations) Rental unit constructed Housing unit 40	Provide capital support to homeless facilities (to include emergency and transitional housing for adults, families, youth) Pub facility other than LMH Persons assisted 500	Support facilities for special needs populations Pub facility other than LMH Persons assisted 2000	Enhance public facilities Pub facility other than LMH Persons assisted 5000
	Rehab affordable rental housing (to include accessibility modification) Rental unit rehabbed Housing unit 25	Support programs for homeless people and to prevent homelessness (to include families, adults, youth) Pub service other than LMH Persons assisted 1500	Support services for special needs populations Pub service other than LMH Persons assisted 300	Remove barriers to self-sufficiency (to include child care assistance, landlord/tenant mediation) Pub service other than LMH Persons assisted 250
	Rehab affordable owner-occupied housing (to include accessibility modification) Homeowner unit rehabbed Housing unit 25			Capital support to enhance health care access (to include behavioral health, addiction services) Pub facility other than LMH Persons assisted 500
				Support services to enhance health care access (to include behavioral health, addiction services) Pub service other than LMH Persons assisted 500
				Fair housing outreach & education Other Other 50

Source: City of Grand Forks.