



City of Grand Forks  
 Staff Report  
 Committee of the Whole – July 14, 2025  
 City Council – July 21, 2025

**APPROVED & ACCEPTED**  
 by City Council  
*Maureen Storstad*  
 07/21/2025  
 Maureen Storstad  
 City Auditor

**Agenda Item:** 2026 CDBG Program

**Submitted by:** Collin T. Hanson, Community Development Manager

**Staff Recommended Action:** Authorize staff to proceed with the 2026 CDBG allocation process as described below, including any necessary budget transfers

**Committee Recommended Action:** Motion by Berg, second by Lunski to move item to City Council with a recommendation to approve.  
 Motion carried 6-1 with Osowski dissenting.

**Council Action:** Motion by Berg, second by Weigel to approve on consent agenda.  
 Motion passed unanimously.

**BACKGROUND:** The allocation of federal Community Development Block Grant (CDBG) funding is typically handled through a competitive application process. As the City has made efforts to swiftly deploy federal funds, HUD staff have recommended that the City begin its allocation process earlier to allow more time for project planning.

As shown below, 2026 CDBG funding is available for bricks and mortar projects. On July 10, the Community Advisory Committee (CAC) met and recommended the following budget, process, and schedule for 2026.

**RECOMMENDED 2026 CDBG BUDGET**

<b>Sources</b>		<b>Uses</b>	
Estimated CDBG Entitlement	425,000	Administration	80,000
Program Income (HomeCents Payments)	<u>65,000</u>	Competitive CDBG (capital) grants	400,000
		Contingency	<u>10,000</u>
<b>Total Sources</b>	<b>\$490,000</b>	<b>Total Uses</b>	<b>\$490,000</b>

**APPROVED 2025 CDBG BUDGET**

<b>Sources</b>		<b>Uses</b>	
CDBG Entitlement <sup>1</sup>	450,000	Administration	100,000
Program Income (HomeCents)	<u>75,000</u>	Competitive CDBG (capital) grants	410,000
		Contingency	<u>15,000</u>
<b>Total Sources</b>	<b>\$525,000</b>	<b>Total Uses</b>	<b>\$525,000</b>

<sup>1</sup> Updated Estimate of 2025 Entitlement Funding = \$441,773

## **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 HUD-funded activities. Membership in the CAC is developed in cooperation with the Community Agency Networking Association and institutional partners.
- The CAC met on July 10 and recommended the budget, allocation process, and schedule described herein. The CAC had extensive discussion on the increased needs within the community encompassing homelessness, housing, mental and behavioral health, individuals with intellectual disabilities, and more. Additionally, the CAC acknowledged that the landscape of funding for health and human service agencies is rapidly changing, along with the needs/gaps of services and resources for low- and moderate-income families. For those reasons, the CAC has recommended an open application process with no priority areas to ensure that allocation decisions can be most responsive to current emerging needs.
- The City has been untimely in its expenditure of CDBG funding for several years due to the large amount of program income generated by the sale of the Corporate Centers, late congressional appropriations, and construction related delays. The City anticipates being timely by the end of Quarter 3 of 2025. Feedback from HUD during an informal consultation recommended that the City begin its allocation process earlier and to consider a change to its program year start date.
- The Administration budget includes an annual \$5,000 set-aside for High Plains Fair Housing Center to assist in fulfilling the City's federal obligation to affirmatively further fair housing.
- As an entitlement community, the City annually receives CDBG funds from the US Dept of Housing and Urban Development (HUD). CDBG-funded activities must meet one of three national objectives:
  - benefit low- and moderate-income people;
  - alleviate or prevent conditions of slum and blight;
  - meet an urgent community need (disaster declaration required).

## **SUPPORT MATERIALS**

- CAC membership and schedule

## COMMUNITY ADVISORY COMMITTEE

- Becca Baumbach, Community Foundation of GF, EGF, and Region
- Brandon Baumbach, Grand Forks Public Schools
- Allyse Dunnigan, NDSU Extension
- Rachel Hafner, The ARC Upper-Valley
- Nancy Hanson, ND Special Olympics
- Shaun Havis, Valley Senior Living
- Tori Johnson, Community Member At-Large
- Kathryn Kester, Xcel Energy Community Relations
- Tammy Knudson, Grand Forks Human Service Zone
- Tricia Lunski, City Council
- Janell Regimbal, Insight to Solutions
- Michelle Rydz, High Plains Fair Housing Center
- Tess Wall, Grand Forks Public Health
- Barry Wilfahrt, The Chamber GF-EGF
- Lt. Derik Zimmel, Grand Forks Police Department

## PROPOSED SCHEDULE

July 10, 2025	CAC reviews draft 2026 budget, process and timeline
July 14	Committee of the Whole reviews draft 2026 budget, process and timeline
July 21	City Council authorizes proceeding with 2026 allocation process
July 23	Notice of availability of funds posted on City website and GF Herald
August 5	Applicant workshop
August 13	Technical assistance office hours
August 21	Technical assistance office hours
August 26	Technical assistance office hours
August 28, 1:00pm	Application deadline
Weeks of Sept. 1 – Oct. 3	Staff and CAC review of applications
October 8	CAC deadline to rank applications and hold a public hearing
October 13	Committee of the Whole reviews CAC recommendations and 2026 draft Annual Action Plan (AAP)
October 20	City Council sets public hearing date on the draft AAP
December 1	City Council holds public hearing, approves AAP
May 15, 2026 (estimate)	Notification by HUD of 2026 entitlement allocation
June 15, 2026 (estimate)	2026 AAP submitted to HUD (due no later than August 16, 2026)