



City of Grand Forks
 Staff Report
 Committee of the Whole – October 13, 2025
 City Council – October 20, and December 1, 2025

APPROVED & ACCEPTED
by City Council
Maureen Storstad
 10/20/2025
 Maureen Storstad
 City Auditor

Agenda Item: 2026 Community Development Block Grant (CDBG) Annual Action Plan

Submitted by: Collin T. Hanson, Community Development Manager

Staff Recommended Action: 1) Review 2026 CDBG funding recommendations; 2) hold a public hearing on December 1, 2025 and approve the 2026 CDBG Annual Action Plan; and 3) approve any necessary budget amendments.

Committee Recommended Action: Motion by Osowski, second by Berg to move agenda to City Council with a recommendation to approve. Motion carried unanimously.

Council Action – October 20: Motion by Osowski, second by Fridolfs to set public hearing for December 1, 2025. Motion carried unanimously.

Public Hearing & Council Action – December 1: Motion by Berg, second by Fridolfs to approve staff recommendation.

Motion passed unanimously.

BACKGROUND:

On July 21, 2025, City Council authorized proceeding with a competitive application process for 2026 Community Development Block Grant (CDBG) funding. A notice of funding availability was published in the Grand Forks Herald and the City website on July 23, 2025. The budget proposed at that time is shown below.

PROPOSED 2026 CDBG BUDGET

Sources		Uses	
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>
Total Sources	\$490,000	Total Uses	\$490,000

The City opened applications for federal CDBG Bricks & Mortar funding (capital projects) on July 29, 2025. The deadline for applications was August 28, 2025; 7 valid applications were submitted requesting a total of \$1,765,838 for estimated federal funding of \$400,000. The minimum request is \$50,000. After the application deadline, 2 applications were withdrawn by the respective applicants, which together amounted to \$328,500.

The Community Advisory Committee (CAC) met on September 29th to hold a public hearing on the performance of the City’s CDBG program and to hear presentations from the remaining 5 applicants. The CAC provided their rankings on October 1st. The ranking and staff funding recommendation is below.

2026 CAC Ranking & CDBG Funding Recommendation

Agency	Project	Average Ranking	Amount Requested	Recommended Funding
Spectra Health	Patient Intake and Security Rehab	2.36	\$ 400,000	\$ 400,000
Northlands Rescue Mission	Entry and Security Rehab	2.82	\$ 103,296	
Community Violence Intervention Center	Accessibility and Safety Rehab	3.18	\$ 234,042	
Grand Forks Community Land Trust	Acquisitions for Affordable Housing	3.27	\$ 300,000	
Grand Forks Homes	Winterland Apartments balcony replacement	3.36	\$ 400,000	
TOTAL			\$1,437,338	\$ 400,000

Spectra Health’s project is to rehab the first floor of their facility located at 212 South 4th Street to create one

centralized patient check-in and waiting area for the purpose of improving building access control, security, and patient experience. The first-floor rehab will include security measures designed to mitigate risks, and to increase the safety and security of both patients and staff.

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- and CSG-funded activities.
- On September 29, 2025, the CAC held a public hearing on the performance of the City’s CDBG program and received presentations from applicants. No public comment was received during the public hearing.
- On October 1, 2025, CAC members gave each request a YES or NO vote; only applications receiving at least 60% YES votes advanced to ranking. All applicants passed the initial vote threshold and were eligible for ranking. The CAC ranked the applications and submitted them to Community Development staff. Staff assigned funding recommendations accordingly, which were provided to the CAC and applicants.
- 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).
- Given the unpredictable nature of the federal appropriations process, the City is following guidance from the US Dept of Housing and Urban Development (HUD) to include contingencies within its Annual Action Plan to account for potential variations in funding.
- Feedback from HUD during a 2024 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 obligations.

SUPPORT MATERIALS:

- CAC Membership
- 2026 CDBG Rankings & Funding Recommendations
- 2026 CDBG Applications
- Draft Annual Action Plan Executive Summary

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

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2026 CDBG Applications

Application #	Agency	Description	Amount Requested	Other Funds	Total Project Cost
BM-01	Spectra Health	Patient Intake and Security Rehab	\$400,000	\$429,962	\$829,962
BM-02	CVIC	Accessibility and Safety Rehab	\$234,042	\$0	\$234,042
BM-03	Northlands Rescue Mission	Entry and Security Rehab	\$103,296	\$0	\$103,296
*BM-04	Grand Forks Senior Center	Garage Structural Rehab	\$78,500	\$0	\$78,500
BM-05	Grand Forks Homes	Winterland Apartments Balcony Rehab	\$400,000	\$130,000	\$695,000
BM-06	Grand Forks Community Land Trust	Acquisitions for Affordable Housing	\$300,000	\$1,540,000	\$1,840,000
*BM-07	United Way	Emergency Family Shelter Rehab	\$250,000	\$900,000	\$1,150,000
<i>*Indicates the application was withdrawn</i>		FUNDS AVAILABLE: \$400,000	\$1,437,338 <i>(less withdrawn applications)</i>		

-DRAFT-
CITY OF GRAND FORKS
COMMUNITY DEVELOPMENT BLOCK GRANT
2026 ANNUAL ACTION PLAN EXECUTIVE SUMMARY

The 2026 Annual Action Plan (AAP) is part of the City of Grand Forks’ application to the U.S. Department of Housing and Urban Development (HUD) for fiscal year 2026 Community Development Block Grant (CDBG) funds. It is the second year action plan for the City’s 2025-2029 Consolidated Plan, which is its overall strategy for using HUD funds over a five-year period. The following activities/uses in the 2026 Annual Action Plan are supported by objectives identified in the Consolidated Plan. This budget, which also includes a \$10,000 contingency, is based on estimates and is subject to Congressional action.

Proposed 2026 Annual Action Plan - CDBG Activities			
Capital Projects	Spectra Health Patient Intake and Security Rehab		\$400,000
Administration	Administration of CDBG Program		\$80,000
Contingency			\$10,000
		TOTAL	\$490,000

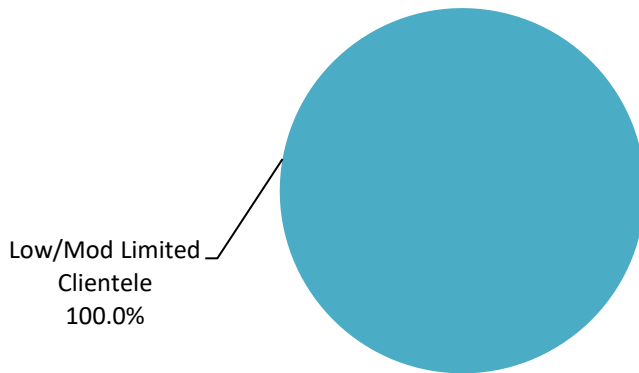
If estimated entitlement funding is significantly different than anticipated, this plan accounts for significant increases or decreases in funding. If significantly more entitlement funding is received, the funding will be distributed as outlined below:

- Additional entitlement funding of \$10,000 or less will be added to the City’s contingency line item.
- Additional entitlement funding of more than \$10,000 and up to \$250,000 will result in:
 - o The first \$10,000 will be added to the City’s contingency line item, then
 - o up to \$80,000 will be added to the Spectra Health Patient Intake and Security Rehab, then
 - o up to \$30,000 will be added to the City’s administration line item, then
 - o up to \$10,000 will be added to the City’s contingency line item, then
 - o up to \$110,000 will be added to the Spectra Health Patient Intake and Security Rehab, and then
 - o up to \$10,000 will be added to the City’s administration line item.

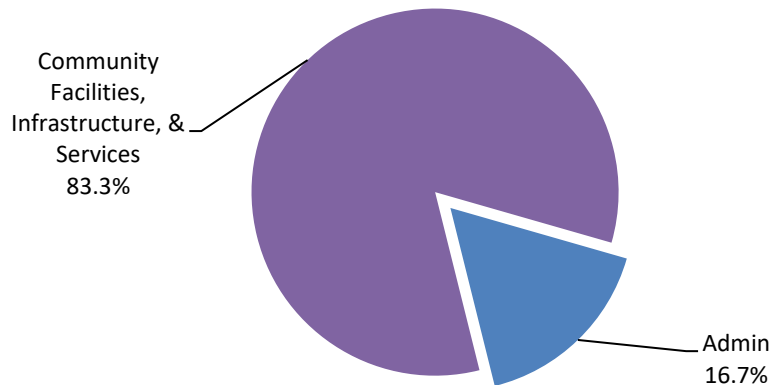
If significantly less entitlement funding is received, then recommended funding amounts would be reduced, in addition to a potential reduction in the administrative line item to comply with the federal cap on administrative costs charged to the CDBG program. If funding is reduced, the administration line item will be reduced until it reaches no more than 19.5% of the formula admin cap. After the administration line item is sufficiently reduced, the Spectra Health Patient Intake and Security Rehab Project will be reduced by no more than \$185,000, resulting in a minimum project award amount of \$215,000.

CDBG funds must be used for activities that will benefit low- and moderate-income (LMI) persons, alleviate conditions of slum and blight, or meet an urgent community need. The following charts show the proposed uses by national objective and eligible activity. As shown, 100% of activities benefit low- and moderate-income persons.

2026 CDBG By National Objective



2026 CDBG by Eligible Activity



For further information or to see the full Draft 2026 Annual Action Plan, please contact:

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Grand Forks, ND 58203
701-746-2661; #711 (ND Relay)

Housing - Equal Opportunity

Hearing impaired (TDD) number is North Dakota Relay 711. For alternative formats or special accommodations for persons with limited English proficiency or disabilities, please contact Tangee Bouvette, ADA/Section 504 Coordinator, at 746-2665. It is the policy of the City of Grand Forks to provide services without regard to race, color, national origin, ancestry, age, sex, familial status, physical handicap or disability. The City is an equal employment/equal housing opportunity agency.

