



City of Grand Forks  
 Staff Report  
 Committee of the Whole – April 27, 2026  
 City Council – May 4, 2026

**APPROVED & ACCEPTED**  
 by City Council  
*Maureen Storstad*  
 05/04/2026  
 Maureen Storstad  
 City Auditor

**Agenda Item:** 2027 CDBG Program

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

**Staff Recommended Action:** Authorize staff to proceed with the 2027 CDBG allocation process as described below, including any necessary budget transfers

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

**Council Action:** Motion by Berg, second by Fridolfs 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, 2027 CDBG funding is available for bricks and mortar projects. On April 16, the Community Advisory Committee (CAC) met to review staff recommendation of the following budget, process, and schedule for 2027.

**RECOMMENDED 2027 CDBG BUDGET**

<b>Sources</b>		<b>Uses</b>	
Estimated CDBG Entitlement	400,000	Administration	75,000
Program Income (HomeCents Payments)	<u>40,000</u>	Competitive CDBG (capital) grants	335,000
		Contingency	<u>30,000</u>
<b>Total Sources</b>	<b>\$440,000</b>	<b>Total Uses</b>	<b>\$440,000</b>

**APPROVED 2026 CDBG BUDGET**

<b>Sources</b>		<b>Uses</b>	
CDBG Entitlement	425,000	Administration	80,000
Program Income (HomeCents)	<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>

## **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 April 16 to review the recommended budget, allocation process, and schedule described herein. The CAC discussed the increased needs within the community encompassing individual and family homelessness, affordability of rental housing, availability of owner-occupied housing, transitional housing, and substance use and recovery services. The CAC has recommended an open application process with no priority areas given the wide-ranging needs.
- The City had been untimely in its expenditure of CDBG funding for several years until late 2025 due to the large amount of program income generated by the sale of the Corporate Centers, late congressional appropriations, and construction related delays. In order to maintain its timely expenditure of funds, the City has begun its allocation process earlier in the year beginning in 2026. 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 application window is open longer than in years past as applicant agencies have seen turnover and compliance with federal requirements has become more intense. Staff are revamping the applicant workshop and increasing technical assistance efforts to better educate potential applicants on program rules and requirements.
- As an entitlement community, the City receives CDBG funds annually from the U.S. Department 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
- Sara Berg, Grand Forks Public Schools
- Allyse Dunnigan, NDSU Extension
- Rachel Hafner, The ARC Upper-Valley
- Bridget West, ND Health & Human Services
- 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

\* New City Council representative to be selected after next City Council is seated

## PROPOSED SCHEDULE

April 16, 2026	CAC reviews draft 2027 budget, process and timeline
April 27	Committee of the Whole reviews draft 2027 budget, process and timeline
May 4	City Council authorizes proceeding with 2027 allocation process
May 6	Notice of availability of funds posted and application opens
May 15	Applicant workshop #1
May 19	Technical assistance office hours
June 2	Applicant workshop #2
June 9	Technical assistance office hours
June 25	Technical assistance office hours
June 30, 12:00pm	Application deadline
Weeks of July 1 – July 31	Staff and CAC review of applications
Week of August 3 – 7	CAC deadline to rank applications and hold a public hearing
August 24	Committee of the Whole reviews CAC recommendations and 2026 draft Annual Action Plan (AAP)
September 8	City Council sets public hearing date on the draft AAP
October 19	City Council holds public hearing, approves AAP
May 15, 2027 (estimate)	Notification by HUD of 2027 entitlement allocation
June 15, 2027 (estimate)	2027 AAP submitted to HUD (due no later than August 16, 2027)