



TO: Mayor Shaun Sipma
Members of the City Council

FROM: John R. Zakian, DR Grant Program Manager & Chief Resilience Officer

DATE: January 7, 2019

SUBJECT: TIMELINE ASSURING ALL CDBG-NDR FUNDS SPENT BY SEPTEMBER 30, 2022

I. RECOMMENDED ACTION

City Council accept CDBG-NDR timeline to assure spending all funds by statutory deadline

II. DEPARTMENT CONTACT PERSONS

John R. Zakian, DR Program Manager & Chief Resilience Officer, 423-4528

III. DESCRIPTION

A. Background

The federal statutory deadline for all CDBG-NDR funds to be spent is September 30, 2022. It is clear in the statute that the definition of spent is that the City has drawn down all funds into its accounts and all funds so drawn have been spent. This requirement also applies to the leverage funds except for the City of Minot's leveraged commitment for HUD has clarified in writing that the City has 30 years to spend the funds. Point has been reached where it is prudent to establish a timeline to be followed as benchmarks and corrective action points if necessary to assure that all funds are spent.

B. Proposed Project

The timeline establishes key decision dates by which certain actions need to be taken to assure there is no risk of not having sufficient time to spend all the funds. Examples of key dates in the timeline and reason:

- July 31, 2020 last date to move additional funds for acquisitions is based on the past experience of time involved from issuance of initial letter to property owners to actual acquisition which is generally 13 to 14 months but has been as long as 24 months if Eminent Domain is involved. Additionally, the federal Uniform Relocation Act requires that a property owner has 18 months after closing by the city to submit requests for relocation payments (average has been 6 to 7 months)
- January 1, 2021 last date for a Substantial Amendment is based on a standard amendment taking between 4 and 5 months for HUD approval which means any later date might not provide sufficient time to spend the funds associated with a Substantial Amendment especially capital projects
- May 1, 2021 last date to commence a capital project is based on North Dakota's constricted weather related construction season and by starting by this date if a project cannot be completed in 2021 then there will be a several months' buffer to complete in early part of the construction season in 2022.

IV. IMPACT:

A. Strategic Impact:

Timeline will demonstrate to HUD the City's commitment to spend all the CDBG-NDR funds by September 30, 2022

B. Service/Delivery Impact:

Timeline provides the public (it will be posted on the city website), city departments, sub-recipients, contractors with measurable and understandable benchmarks to use to remain on track to meet the spend deadline.

C. Fiscal Impact:

N/A

V. ALTERNATIVES

N/A

VI. TIME CONSTRAINTS

All CDBG-NDR funds must be spent by September 30, 2022

VII. LIST OF ATTACHMENTS

- i. Timeline