TO: Mayor Shaun Sipma  
Members of the City Council

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

DATE: May 11, 2020

SUBJECT: Concur Authorization of CDBG-DR Allocation #1 and #2 Substantial Amendments

I. RECOMMENDED ACTION

City Council concur granting authorization for Substantial Amendments for CDBG-DR Allocations #1 and #2 submitted to and approved by HUD.

II. DEPARTMENT CONTACT PERSONS

John R. Zakian, DR Program Manager & Chief Resilience Officer, 420-4528

III. DESCRIPTION

A. Background
The City of Minot has initiated 16 amendments to the CDBG-DR Allocation #1 originally approved Action Plan and 9 amendments to the CDBG-DR Allocation #2 originally approved Action Plan. Some of the amendments were Non-Substantial Amendments which do not require HUD approval reflecting generally minor adjustments to an Action Plan. However, Substantial Amendments do require submission to HUD and approval by HUD. Review of records show that the City did comply with public notice and comment requirements for the amendments. However, records of the City of Minot City Council meetings do not show that the City Council authorized the Substantial Amendments. Just as HUD expects appropriate local statutory authorization for commitments such as Grant Agreements and initial Action Plans, HUD expects Substantial Amendments to have the same authorization which did not occur in the case of the City of Minot. Therefore, to be fully compliant, it is necessary to request the City Council to retroactively authorize the Substantial Amendments. Note, all such amendments since June 1, 2017 have been submitted to the City Council and received City Council authorization including CDBG-NDR.

B. Proposed Project
All amendments both Substantial and Non-Substantial are posted on the City Website under the applicable grant of CDBG-DR Allocation #1, #2 and CDBG-NDR in full text. Attaching the full text of all the amendments to this memo is too voluminous to be workable resulting in offering a summary below of the key aspect(s) of each Substantial Amendment noting that the full text is available on the City website.

Allocation #1:
- Amendment #1 Substantial Amendment removed 3rd Street Sewer Improvements
- Amendment #2 Substantial Amendment removed downtown infrastructure project
- Amendment #3 Substantial Amendment changed Parking Ramps National Objective from LMI to Urgent Need
- Amendment #4 Substantial Amendment raised cap on housing rehab forgivable loan
- Amendment #5 Substantial Amendment changed Northern Sewer Project National Objective from LMI to Urgent Need
- Amendment #6 Substantial Amendment moved $7.3 million to support LMI multi-family rental apartment buildings and LMI rental rehab
- Amendment #7 Substantial Amendment reallocated $2.4 million to various activities
- Amendment #8 Substantial Amendment reallocated funds to relocation
- Amendment #9 Substantial Amendment reallocated $1.3 million to various activities
- Amendment #10 Substantial Amendment reallocated $3.198 mostly to voluntary and involuntary acquisitions

Substantial Amendment #15 was approved by the City Council in March, 2018. The other amendments 11, 12, 13, 14 and 16 are non-substantial amendments.

Allocation # 2:
- Amendment #1 Substantial Amendment moved funds from acquisition to demolition
- Amendment #2 Substantial Amendment moved funds from reimbursement to acquisition
- Amendment # 3 Substantial Amendment moves funding to 55th Street Crossing Development Project and $350,000 for NDR Phase 1 Grant Application
- Amendment # 8 Substantial Amendment added $1,061,000 to acquisitions

Amendments # 4-7 and 9 were non-substantial amendments.

IV. IMPACT:

A. Strategic Impact:
   Supports City’s ongoing record of undertaking compliance review and when identifying matters which require corrective action, takes such corrective action on a timely basis.

B. Service/Delivery Impact:
   N/A

C. Fiscal Impact:
   N/A

V. ALTERNATIVES
   N/A

VI. TIME CONSTRAINTS
   NA

VII. LIST OF ATTACHMENT