



STPAUL.GOV

Department of Planning and Economic Development
CDBG Update to Budget Committee

June 3, 2026

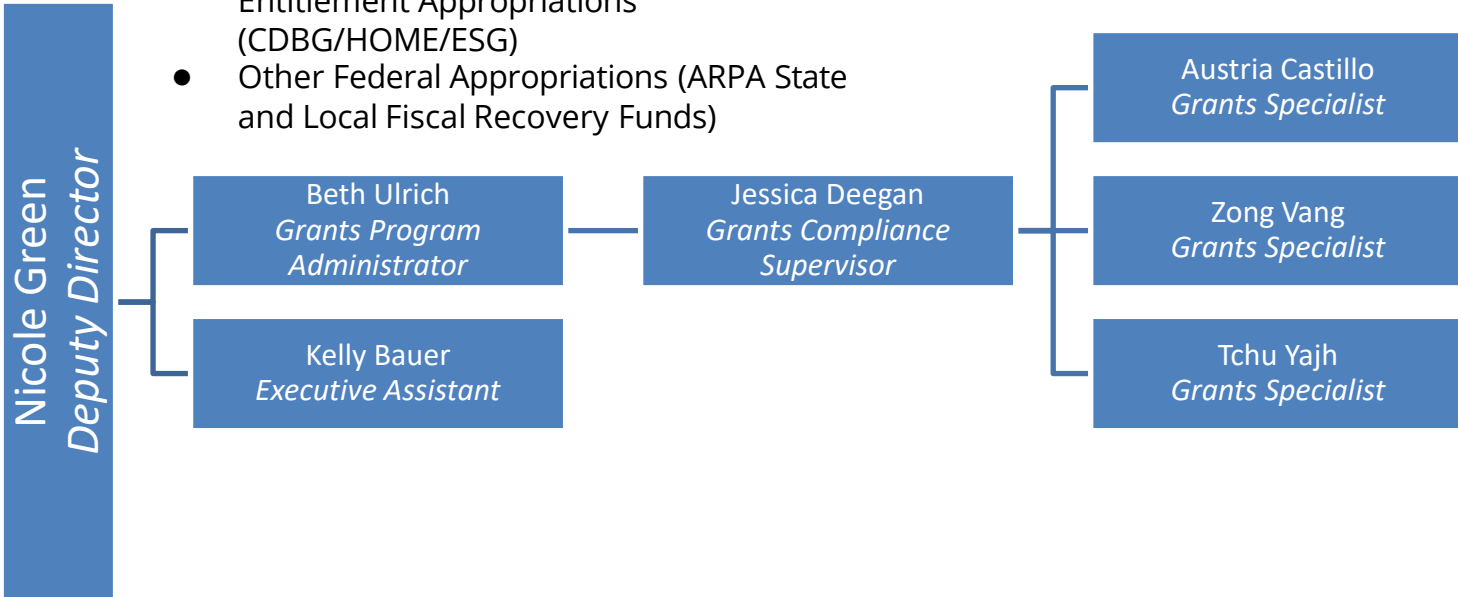


CDBG Update (Budget Committee June 3, 2026)

Planning and Economic Development Federal Grants Team

Team manages:

- US Housing and Urban Development (HUD) Entitlement Appropriations (CDBG/HOME/ESG)
- Other Federal Appropriations (ARPA State and Local Fiscal Recovery Funds)





Consolidated Plan – Annual Cycle

- The City's program year for HUD resources is June 1 – May 31





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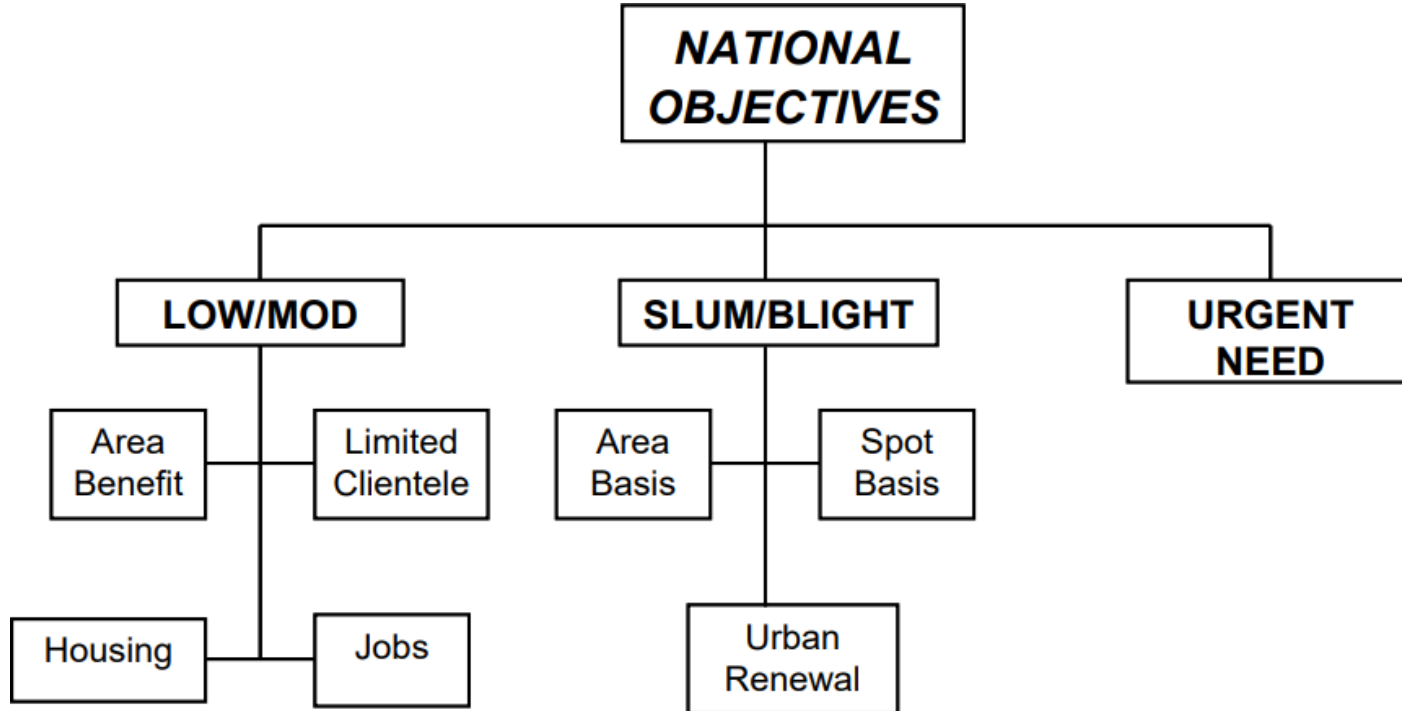
Consolidated Plan Requirement and Goals

- HUD requires the City to adopt a five-year consolidated plan (ConPlan) detailing goals and objectives expected for use of HUD funds. Annual Action Plans (AAP) are required for years 2-5 of the ConPlan cycle. The Consolidated Annual Performance and Evaluation Report (CAPER) details activities and outcomes of the goals. HUD must review and approve all plans and reporting.
- ConPlan development is a 1-year process, following strict HUD guidelines and engagement with District Councils. AAP updates follow a 3-month abbreviated process engaging the same stakeholders. Administered by the Planning Division of PED.
- Goals in the City's Recently Completed Consolidated Plan for 2025-2029 include:
 - Development of New Housing
 - Housing Rehabilitation
 - Economic Development
 - Public Services
 - Public Improvements
 - Remediation of Substandard Properties



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CDBG National Objectives

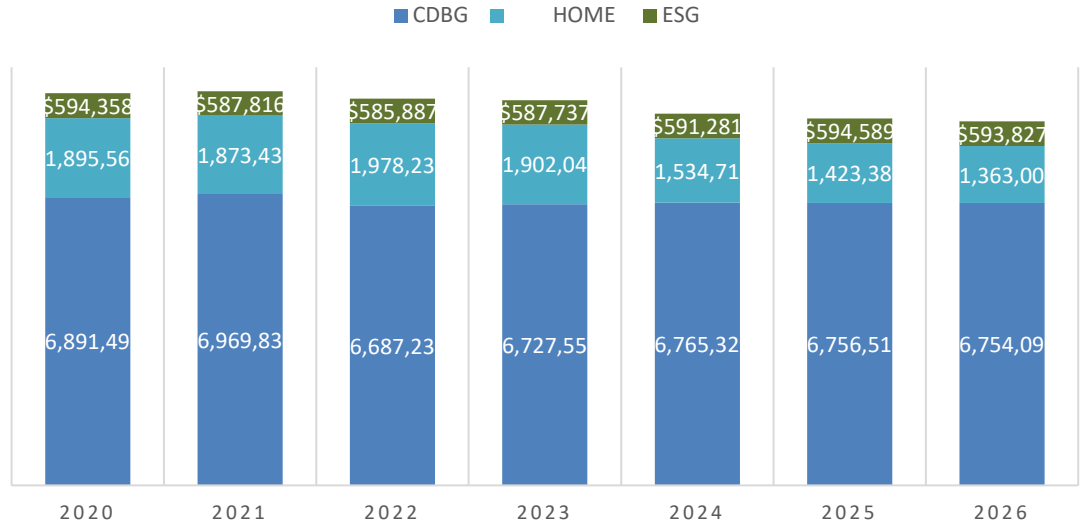




HUD Formula Grants Received by the City

- **All HUD entitlement funds are received and allocated by the City**
- Community Development Block Grant (CDBG)
- HOME Investment Partnerships (HOME)
- Emergency Solutions Grant (ESG)

ALLOCATIONS 2020 - 2026





CDBG Update (Budget Committee June 3, 2026)

Funding Changes for 2027



The Trump Administration released the proposed FY2027 budget to Congress. The proposal included a \$1.5 trillion increase for Defense and ICE/Homeland Security while the civilian agencies would be cut by 10% with \$0 funding for CDBG and HOME.

May 21, 2026, the House Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations Subcommittee voted to advance their spending bill. The bill provided level funding for CDBG, a 60% cut to HOME program, and a 6% cut to ESG. Worthy of note: the bill would exempt FY27 and prior-year HOME and CDBG funding from Build America, Buy America (BABA) requirements.

The Senate has not yet acted on federal funding legislation.



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HUD Proposed CDBG Rule Changes

*All proposed rule changes have been suspended

Current: The City must not have more than 1 ½ times its most recent allocation as an unspent balance in its line of credit 60 days prior to end of program year.

Reporting: April 1 of each year HUD tests for 1.5 X allocation

Proposed: Revise timeliness standard to allow grantees to maintain a fund balance of more than 1.5 times their last CDBG grant (rule does not specify acceptable rate)

Reporting: Institute quarterly public pace-of-expenditure reports to show timeliness as the rate of disbursement of each CDBG grantee

Evaluate grantee's continuing capacity to carry out a program, and if needed, HUD will provide TA to improve timely performance

Timeline to meet National Objective would be 6 years from initial drawdown or the period of performance, whichever is shorter.



CDBG Update (Budget Committee June 3, 2026)

Timeliness:

- 60 days prior to program end date
- Grantee's Line of Credit Control System (LOCCS) balance in IDIS and program income on hand cannot exceed 1.5 times most recent allocation

Entitlement Grantees



IF THIS
TOTAL IS

LESS THAN
or EQUAL to

1.5 times
the grant
amount





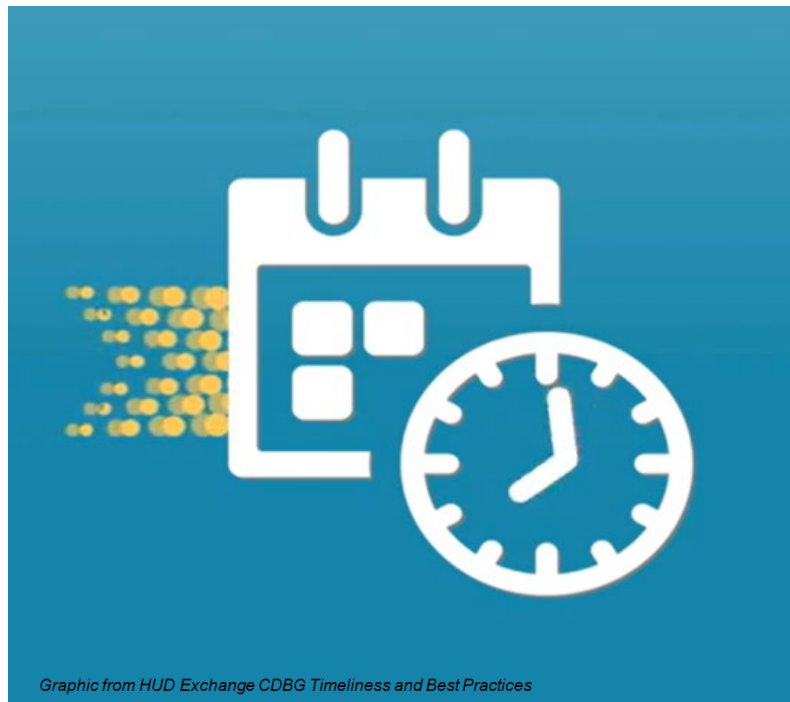
“Spendedown ”

Increased/Unused Funding:

- Loan repayments
- Returned funds from projects or programs
- Stalled projects

Out of Cycle Projects

- Funding requests through PED/HRA process
- Funding request through other departments

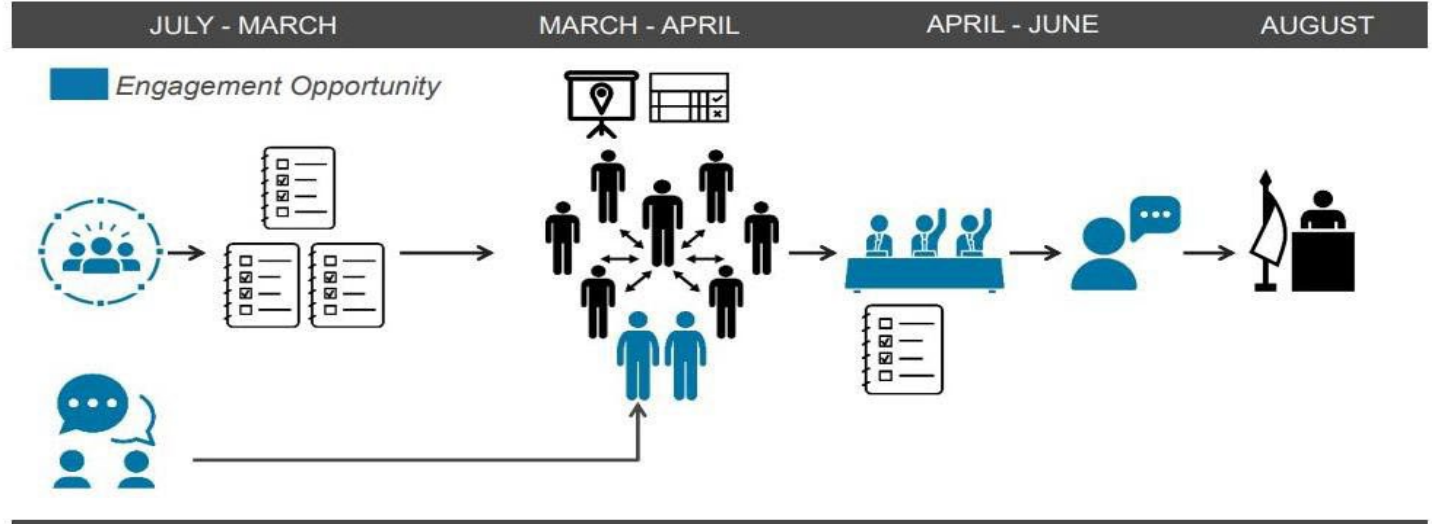




CDBG Update (Budget Committee June 3, 2026)

CDBG allocated through biannual CIB process:

Capital Improvement Plan Year 1:



City Departments draft 5-year capital plans.

Working group uses data and engagement to create citywide 5-year plan.

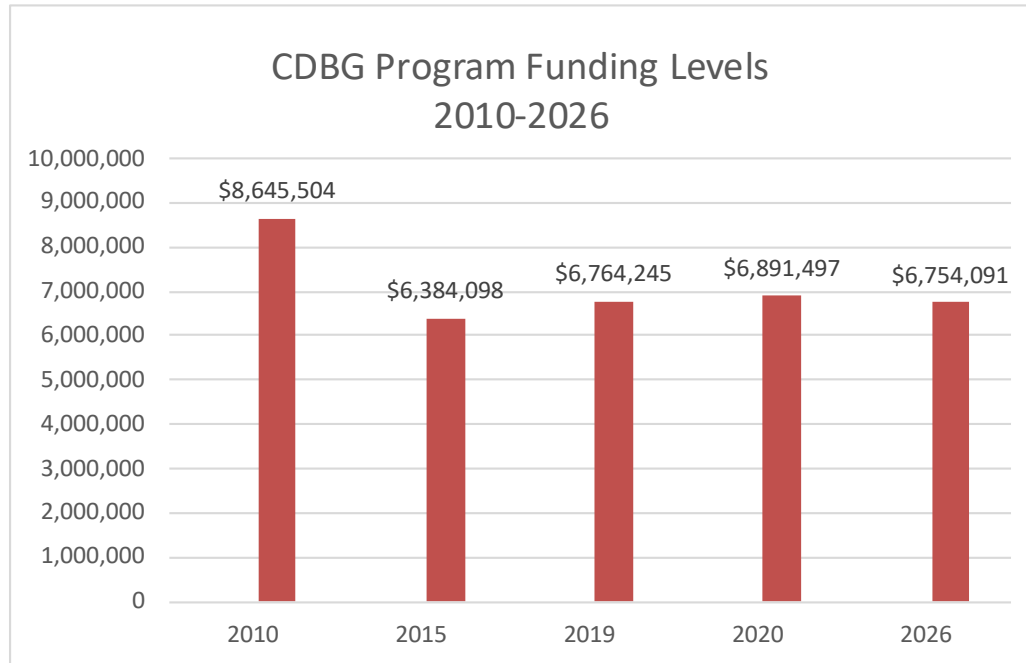
CIB Committee recommends project priorities for 2-year funding cycle by June 30th.

Mayor proposes budget by mid-August.



Community Development Block Grant (CDBG)

- *Program provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.*





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2026 Non-Capital CDBG Funds

Department:	Public Services:	
Parks	Capital City Youth Employment	\$540,000
Ramsey Co	Block Nurse Program	\$100,000
Admin:		
PED/CAO	Program Administration	\$1,410,000
PED	Direct Project Costs	\$435,000
Total Non-Capital Uses		\$2,485,000



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2026 CDBG Funded Activities

CIB CDBG Recommendations	2026 Proposed	2027 Tentative
10 Home Restorations in St Paul	\$10,000.00	\$10,000.00
Acquisition Fund for Community Investment	\$300,000.00	\$300,000.00
Baker Park Play Area	-	\$650,000.00
Business Investment Fund	\$250,000.00	\$250,000.00
Citywide 30% AMI Housing Program	\$300,000.00	\$300,000.00
Conway Park Play Area	\$650,000.00	-
East Side Home Improvement Revolving Loan Fund	\$500,000.00	\$500,000.00
East Side Homeownership Initiative	\$480,000.00	\$480,000.00
Hmong Community Center	\$100,000.00	-
Housing Real Estate Multi-Unit Development Fund	\$500,000.00	\$500,000.00
Ryan Park Play Area	\$650,000.00	-
Saint Paul Home Repair Loan Fund	\$85,000.00	\$185,000.00
Vacant & Hazardous Building Demolition	\$175,000.00	\$175,000.00
West Minnehaha Play Area	-	\$650,000.00
Total Community Development Block Grant	\$4,000,000.00	\$4,000,000.00
Additional Projects in Consolidated Plan		
North End Revitalization Fund	\$100,000.00	-
Saint Paul Home Repair Loan Fund	\$465,000.00	



CDBG Update (Budget Committee June 3, 2026)

Questions??





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Department of Planning and Economic Development

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