

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

08-0645R

RESOLUTION AUTHORIZING A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM DULUTH LATERAL SEWER LINES AGREEMENT WITH THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH (HRA) IN THE AMOUNT OF \$306,000.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to enter into an agreement, substantially in the form of that on file in the office of the city clerk as Public Document No. \_\_\_\_\_, with the Housing and Redevelopment Authority of Duluth (HRA), pursuant to which HRA will administer a CDBG program to assist income-eligible homeowners to repair or replace lateral sewer lines that are contributing to sewer overflows into Lake Superior, for a contract in the amount of \$306,000, payable from Fund 261, Agency 020, Object 5434.

Approved:

Approved for presentation to council:

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Chief Administrative Officer

Approved as to form:

Approved:

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Auditor

CD KAH:jle 10/17/2008

STATEMENT OF PURPOSE: The purpose of this resolution is to approve a CDBG agreement with HRA to manage a loan program to assist low- and moderate-income homeowners to repair or replace their broken lateral lines that are contributing to the overflow from the Duluth sewer system into Lake Superior. The HRA will process homeowner applications for assistance, conduct the bidding process, oversee the work of contractors, complete necessary documentation, and implement the project in compliance with CDBG or other program fund requirements. The HRA will be working closely with various city departments to implement this project.

HRA staff costs related to this project will be paid for under the 2008 HRA property rehab program agreement.

Only owner-occupied duplex or single-family homes are eligible properties. Qualified homeowners will receive a loan of up to \$6,000 for a "cured in place" repair of their lateral line, or up to \$4,000 for an open trench repair or replacement of the line. The loan will be deferred, no interest, due upon change in ownership of the property or in 30 years, which occurs first.

The HRA anticipates helping 60 homeowners. The source of the \$306,000 in CDBG dollars is reprogrammed funds from the Neighborhood Housing Services revolving loan fund.