

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

09-0049R

RESOLUTION AUTHORIZING A REQUEST FOR HUD HOME FUNDS FOR THE 2009 PROGRAM YEAR, AS WELL AS APPROVING THE REALLOCATION OF CERTAIN PRIOR HOME FUNDS, AND AUTHORIZING CONTRACTS.

CITY PROPOSAL:

WHEREAS, City Council Resolution No. 09-0047, adopted January 26, 2009, approved the FY 2009 action plan portion of the Duluth consolidated plan for housing and community development FY 2005-2009; and

WHEREAS, the secretary of HUD is authorized to make grants to cities and/or counties to finance local community development programs, approved in accordance with the provisions of Title I of said act, as well as grants under the Cranston-Gonzales National Affordable Housing Act of 1990, as amended, (the HOME program) and the Stewart B. McKinney Homeless Assistance Act of 1987, as amended (the emergency shelter grant - ESG - program).

NOW, THEREFORE, BE IT RESOLVED, that the proper city officials are hereby authorized to make and submit appropriate documentation to HUD for those projects and corresponding funding levels as set forth below:

2009 HOME PROGRAM - FUND 260, PROJECT CD09HM

<u>SUBPROJECT</u>	<u>ACTIVITY</u>	<u>PROJECTS</u>	<u>AMOUNT</u>
GN09	1736	Homeless rental assistance program (TBRA)- HRA	\$ 37,950
GN09	1737	TBRA administration - HRA	\$ 3,000
CH09	2270	Housing predevelopment - NCLT	\$ 20,000
CH09	2271	Rehabilitation - resale - NCLT	\$340,000
		Duluth Veterans' Place - NCLT	\$250,000
		Property acquisition/rehabilitation - Center City	\$ 99,240
GN09	AD01	Program administration (city)	\$ 77,000
		Total	\$827,190

BE IT FURTHER RESOLVED, the following are hereby designated as the financial sources for the above program:

Year 2009	HOME grant	\$800,000
Year 2008	Program income	\$ 27,190
Total		\$827,190

BE IT FURTHER RESOLVED, that the proper city officials are authorized to make the following transfers in prior year community development accounts:

		<u>Original Budget</u>	<u>Amount of Change</u>	<u>Revised Budget</u>
<u>2008</u> CD08HM				
Bal. Sh. 2220	Lien repayments	\$ 27,190	-\$ 27,190	-0-
	\$27,190 - <u>Total amount reprogrammed</u>			

BE IT FURTHER RESOLVED, that the city of Duluth and its officials are authorized and directed to assume full responsibility for assuring that its community development program is carried out in full compliance with the provisions of the acts implementing the programs and all regulations of HUD issued pursuant thereto. This authorization shall also apply to existing programs with the city and HUD under the HUD CDBG, HOME and ESG programs.

BE IT FURTHER RESOLVED, that the appropriate city officials are authorized to execute the appropriate agreements with these agencies upon receipt of approval of HUD funds.

Approved for presentation to council:

Chief Administrative Officer
Department Director

Approved as to form:

Approved:

Attorney

Auditor

CD KH:jle 1/13/2009

STATEMENT OF PURPOSE: This resolution reflects comments from organizations and citizens as related to funding for the home investment partnerships program (HOME). In addition to citizens, the neighborhood forums and the community development committee (CD committee) each played a role in the recommendations contained in the resolution. There was also a 30-day public comment period from November 1, 2008, to December 1, 2008, on the 2009 annual action plan, which includes recommended funding for the 2009 CDBG, HOME, and ESG programs. The CD committee held a public hearing on December 2 to hear comments on the funding recommendations and then modified its initial amounts to reflect those comments. The final recommendations were approved on December 2, 2008, with the concurrence of the community development manager.

Source of funds:

\$800,000 in new 2009 HUD HOME funds
\$ 27,190 in program income and reprogrammed funds
\$827,190

The resolution, in addition to authorizing application for grant funds and administration of same when received, also takes the following actions:

- (a) Allocates funds by project for the 2009 HOME program;
- (b) Authorizes contracts for the activities upon receipt of funding contract.

Contracts will have the appropriate addendums for affordability restrictions and recapture or resale provisions to ensure compliance with HUD regulations.

The following projects are recommended for funding in the FY 2009 HOME program:

09-HM-01

Project Name: Homeless (Tenant-Based) Rental Assistance Program - Duluth HRA
Project Summary: Through program will provide rental assistance and rent deposits to eight households who would otherwise be homeless. The HRA of Duluth, along with the City, is committed to the goal of ending homelessness and, through this program, can assist these households to achieve stable housing and ultimately work their way out of poverty.
Location: 222 East Second Street
Goal: 8 Households
Amount Recommended: \$37,950

09-CD-01

Project Name: Housing Pre-development - NCLT
Project Summary: CHDO pre-development activities to prepare for the construction and/or rehabilitation of 9-12 affordable homes in scattered sites in the city of Duluth during FY 2009. NCLT will apply for 2009 HOME funds for the construction and/or rehabilitation of these housing units.
Location: 206 West Fourth Street
Goal: 1 Organization
Amount Recommended: \$20,000

09-CH-01

Project Name: Rehabilitation - Resale - NCLT
Project Summary: Northern Communities Land Trust (NCLT) will create safe, decent, permanently affordable homeownership opportunities for low to moderate income households through the rehabilitation and resale of 11 blighted single family homes in the City of Duluth.
Location: Citywide
Goal: 11 Housing Units
Amount Recommended: \$340,000

09-CH-02

Project Name: Duluth Veterans' Place - NCLT
Project Summary: HOME funds for Duluth Veterans' Place will be used to acquire and rehab 11 units of permanent supportive housing to be located at 5201 Ramsey Street. Of the 11 units, eight are funded using 2008 HOME dollars and three with the 2009 HOME allocation. NCLT is the CHDO developer for the project, and MACV-Duluth will own and manage the property. NCLT offices are located at 206 West Fourth Street
Location: 5201 and 5209 Ramsey Street
Goal: 3 HOME Units
Amount Recommended: \$250,000

09-CH-03

Project Name: Property Acquisition/Rehabilitation - Center City Housing Corp. (CCHC)
Project Summary: Center City Housing Corp. Will acquire an existing 150 unit affordable housing project, and spend approximately \$6 Million to rehabilitate it. In addition, CCHC will work with the Center for Alcohol and Drug Treatment to convert two floors of the building to Sober Housing for recovering homeless alcoholics.
Location: 105-1/2 West First Street
Goal: 7 Units
Amount Recommended: \$99,240