

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

09-0755R

REPLACEMENT

RESOLUTION AUTHORIZING A REQUEST FOR HUD FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2010 PROGRAM YEAR AS WELL AS APPROVING THE REALLOCATION OF CERTAIN PRIOR CDBG FUNDS AND AUTHORIZING AGREEMENTS WITH APPROPRIATE AGENCIES.

CITY PROPOSAL:

WHEREAS, City Council Resolution No. 09-0754, adopted December 21, 2009, approved the FY 2010-2014 consolidated plan for housing and community development and the FY 2010 annual action plan; 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:

2010 CITY OF DULUTH COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM-  
FUND 262, AGENCY 020, OBJECT 5434, PROJECT CD10CD

<u>SUB-PROJECT</u>	<u>ACTIVITY</u>	<u>AMOUNT</u>	<u>PROJECTS</u>
<u>HOUSING PROJECTS</u>			
HOUS	1734	\$1,053,500	Duluth property rehabilitation program - HRA
HOUS	1291	\$ 66,654	FAIM IDA housing counseling/downpayment assistance - Community Action Duluth
HOUS	1091	\$ 208,376	Duluth weatherization program - AEOA
HOUS	2270	\$ 187,200	Duluth energy efficiency program - NCLT
<u>ECONOMIC DEVELOPMENT PROJECTS</u>			
ECDV	2412	\$ 160,000	SOAR Duluth At Work - SOAR Career Solutions

ECDV	1244	\$ 112,500	CHUM support services for employment - Churches United in Ministry
ECDV	2805	\$ 40,000	NYS JET (jobs, education and training) - Neighborhood Youth Services
ECDV	2264	\$ 18,207	Growing Neighborhood Businesses - Northeast Entrepreneur Fund, Inc.  *Plus \$61,793 from Fund 263, revenue that has already been realized by the program

PUBLIC FACILITY IMPROVEMENT PROJECTS

PFAC	PF01	\$ 42,020	Curb ramp accessibility and sidewalk improvements
PFAC	PF02	\$ 250,000	Memorial Park Community Center - SVCNDA/ISD #709
PFAC	1343	\$ 279,450	Damiano accessibility project - Damiano of Duluth

PUBLIC SERVICE PROJECTS

PSVC	1244	\$ 75,000	Duluth Hunger Project - CHUM
PSVC	1929	\$ 77,000	Primary health care services - Lake Superior Community Health Center
PSVC	1348	\$ 20,000	Clothes That Work and Social Services - Damiano Center
PSVC	2511	\$ 25,000	Emergency heating assistance - Salvation Army
PSVC	1974	\$ 35,000	LIFELINE Expressway of Youth Services - Life House
PSVC	134A	\$ 34,000	Housing access program - Damiano of Duluth
PSVC	2509	\$ 32,000	Battered women's shelter program - Safe Haven Shelter and/or AICHO
PSVC	251A	\$ 54,000	Transitional housing program - Salvation

Army and/or WCDO

PSVC	1168	\$ 87,213	Youth Development Collaborative: Valley Youth Center, Grant Community School Collaborative, Boys and Girls Club, YMCA Mentor Duluth Collaborative, YWCA Girls and Youth programs
PSVC	1226	\$ 20,000	Permanent supportive housing - Women's Community Development Organization/CCHC

PLANNING/PROGRAM ADMINISTRATION

ADMC	AD01	\$ 502,000	CDBG program administration
ADMC	AD02	\$ 60,000	Neighborhood revitalization planning
ADMC	AD06	\$ 20,000	Irving Neighborhood revitalization plan - SVCNDA
ADMC	AD07	\$ 5,000	Keene's Creek and Irving Park plan
ADMC	AD08	\$ 15,000	Design improvements for Sixth Avenue East - Fit City Duluth
ADMC	AD09	\$ 10,000	Center for Social Justice - Center for Social Justice, Inc.
ADMC	AD10	\$ 10,000	LPBG business loan fund - Lincoln Park Business Group

\$3,547,700 Total

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

SOURCE OF FUNDING

Year 2010	CDBG grant - city	\$3,061,420
Year 2007	CDBG grant - city	\$ 180,000
Year 2008	CDBG grant - city	\$ 53,895
Year 2009	CDBG grant - city	\$ 203,805

Total \$3,499,120

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

		Original <u>Budget</u>	Amount <u>of Change</u>	Revised <u>Budget</u>
<u>2007 CD07CD</u>				
PFAC-PF04	Harbor Highlands Infrastructure	\$180,000	-\$180,000	-0-
<u>2008 CD08CD</u>				
ECDV-2264	Growing neighborhood businesses	\$ 80,000	-\$ 5,000	\$ 75,000
PFAC-PF01	Curb ramp accessibility and sidewalks	\$180,000	-\$ 47,145	\$132,855
PSVC-134A	Housing access program	\$ 20,000	-\$ 1,750	\$ 18,250
<u>2009</u>				
PFAC-PF01	Curb ramp accessibility and Sidewalks	\$170,000	-\$170,000	-0-
Bal.Sh.2220	Lien repayments	\$ 33,805	-\$ 33,805	-0-
	\$437,700 - Total amount reprogrammed			

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 HUD funds.

Approved:

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

Approved as to form:

\_\_\_\_\_  
Attorney

CD KH:jle 12/10/2009

Approved for presentation to council:

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

Approved:

\_\_\_\_\_  
Auditor

STATEMENT OF PURPOSE: This resolution reflects comments from organizations and citizens as related to funding for the community development block grant (CDBG) program. 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 13, 2009, to December 14, 2009, on the draft 2010-2014 consolidated plan for housing and community development and the 2010 annual action plan, which includes recommended funding for the 2010 CDBG, HOME and ESG programs. The CD committee held a public hearing on December 15 to hear comments on the funding recommendations and then modified its initial amounts to reflect those comments. The final recommendations were approved on December 15, 2009, with the concurrence of the community development manager.

Sources of funds: \$3,061,420 in new 2010 HUD CDBG funds and \$437,700 reprogrammed CDBG funds (2007-2009 CDBG programs).

\$3,061,420	Estimated CDBG funds
<u>437,700</u>	Reprogrammed CDBG funds and program income
\$3,499,120	2010 program total

The resolution, in addition to authorizing application for grant funds and administration of same when received, also allocates funds to projects as listed for the 2010 CDBG program and authorizes appropriate city officials to execute contracts when funds are received.

Contracts for housing programs and construction activities typically include addendums that require affordability restrictions and lien agreements, in accordance with HUD regulations. Also, public facility improvement contracts will proceed through the public bidding process after completion of environmental review.

The following are the CDBG project descriptions and goals:

AFFORDABLE HOUSING

10-HS-01

Project Name: Duluth Property Rehabilitation Program - Duluth Housing & Redevelopment Authority (HRA)

Project Summary: HRA provides rehabilitation assistance through loan programs which help maintain Duluth's existing housing stock. These programs revitalize neighborhoods, maintain quality housing stock, and promote employment and economic stimulus. The HRA will also continue to work with the City of Duluth to eliminate their sanitary sewer overflow problem.

Goal: 95 units (40 Single Family and 55 Rental Rehab)

Amount Recommended: \$1,053,500

10-HS-02

Project Name: FAIM IDA Housing Counseling and Down Payment Assistance - Community Action Duluth

Project Summary: This project assists 13 low-income Family Assets for Independence (FAIM) Individual Development Account (IDA) program participants to purchase a home. Financial education, credit counseling, ongoing housing counseling, and match money for the down payment based on participant's deposits, are provided.

Goal: In each 3 year grant period: 60 people will receive housing counseling. 13 of the 60 people will purchase a home utilizing a FAIM IDA with CDBG funds as the down payment

Amount Recommended: \$66,654

10-HS-03

Project Name: Duluth Weatherization Program - AEOA

Project Summary: Arrowhead Economic Opportunity Agency (AEOA) provides energy conservation measures in homes of income eligible assistance clients within the city of Duluth. Energy Conservation is achieved through mechanical repairs/replacements, air sealing and insulating.

Goal: 55 Single Family

Amount Recommended: \$208,376

10-HS-04

Project Name: Duluth Energy Efficiency Program - NCLT

Project Summary: The Duluth Energy Efficiency Program (DEEP) will utilize CDBG funding to target households for home performance testing, weatherization and air sealing that fall between AEOA income guidelines (50% of MN State Median Income) and 80% AMI thus reducing the energy affordability gap for a currently underserved population.

Goal: 200 households (home performance audits); 74 households (grant match to RLF); 18 households (permanently affordable housing grant)

Amount Recommended: \$187,200

ECONOMIC DEVELOPMENT

10-ED-01

Project Name: SOAR Career Solutions Duluth At Work (SOAR DAW) - SOAR Career Solutions

Project Summary: SOAR Career Solutions will provide training, support, case management, job placement, and job retention assistance for 25 Duluth residents at/below 50% of Area Median Income to identify, obtain and keep jobs that increase their income by 25% over 3 years.

Goal: 20 clients placed in jobs

Amount Recommended: \$160,000

10-ED-02

Project Name: CHUM Support Services for Employment - CHUM

Project Summary: Individuals with limited or poor work histories will be assisted in finding entry level positions and provided supportive services, including case management, to successfully maintain their jobs while building a foundation for advancement and self-sufficiency. Participants will realize a 25% increase in income within 3 years.

Goal: 15 incoming (new) participants

Amount Recommended: \$112,500

10-ED-03

Project Name: NYS JET (Jobs, Education & Training) - Neighborhood Youth Services  
Project Summary: The Neighborhood Youth Services JET Project will assist five people ages 15-21, from CDBG targeted neighborhoods, in becoming self-sufficient through job readiness training and employment opportunities which will lead to a 25% income increase over a three year period.

Goal: 5

Amount Recommended: \$40,000

10-ED-04

Project Name: Growing Neighborhood Businesses - Northeast Entrepreneur Fund  
Project Summary: The Northeast Entrepreneur Fund's Growing Neighborhood Businesses program will provide technical assistance and peer support for 8 low-income small business owners in Duluth Target Neighborhoods to help them grow their business revenue by at least 25% within 3 years.

Goal: 6 LMI neighborhood small business owners grow their business revenue by 25% within 3 years.

Amount Recommended: ~~\$60,000~~ \$18,207 Plus \$61,793 from Fund 263

#### PUBLIC FACILITY IMPROVEMENTS

10-PF-01

Project Name: Phase VII - Curb Ramp Accessibility & Sidewalk Improvement - Engineering Division

Project Summary: To construct pedestrian ramps to current ADA standards at the street intersections and to improve the sidewalks between those ramps. The project will improve pedestrian mobility and access for all the users, but it is most critical to remove the barriers for those utilizing mobility assistance, such as wheelchairs, walkers, and parents with strollers, for example.

Goal: 22 Accessible Curb Ramps & 22,592 Sq. Ft. of Sidewalk

Amount Recommended: \$42,020

10-PF-02

Project Name: Memorial Park Community Center - SVCNDA/IDS #709

Project Summary: SVCNDA is applying for funds to construct Memorial Park Community Center. This neighborhood facility will provide programming and a social gathering area for an area of 64.7% of residents that have low to moderate incomes.

Goal: 1 Facility to serve 250 Families/400 Children/300 Individuals

Amount Recommended: \$250,000

10-PF-03

Project Name: Damiano Accessibility Project - Damiano of Duluth

Project Summary: This project would provide funding for the installation of an elevator in the Damiano Center, including the necessary demolition and adjacent construction needed to house the elevator.

Goal: 1 Facility

Amount Recommended: \$279,450

PUBLIC SERVICES

10-PS-01

Project Name: Duluth Hunger Project - Churches United in Ministry (CHUM)  
Project Summary: The Duluth Hunger Project is a coalition of four agencies working together to prevent and alleviate chronic hunger and malnutrition among the lowest income of Duluth's residents. CHUM is fiscal agent for the project.  
Goal: 16,000 people over 2 years (8,000/yr)  
Amount Recommended: \$75,000

10-PS-02

Project Name: Primary Health Care Services - Lake Superior Community Health Center  
Project Summary: The project is a city-wide program which provides access to free and sliding fee clinical health care, health education, medical social work, mental health counseling, dental care, assisted referrals, and advocacy for low-income, uninsured and underinsured community members.  
Goal: 2,700  
Amount Recommended: \$77,000

10-PS-03

Project Name: Clothes that Work & Social Services - Damiano Center  
Project Summary: The Damiano Center provides low-income people with access to free professional attire and transportation services to help them get to or find work. Clothing is through our Clothes That Work program, transportation services through Damiano Social Services.  
Goal: 1,100 persons  
Amount Recommended: \$20,000

10-PS-04

Project Name: Emergency Heating Assistance - The Salvation Army  
Project Summary: The Salvation Army Emergency Heating Assistance program provides services to low income households in Duluth. Grants are provided to prevent or resolve electric and gas disconnects. Oil and propane vouchers are provided to households who heat with those sources.  
Goal: 165 People  
Amount Recommended: \$25,000

10-PS-04

Project Name: LIFELINE Expressway of Youth Services - Life House  
Project Summary: Life House is the only one-stop resource access center for homeless kids in Greater Minnesota. At Life House, youth ages 14-20 receive access to emergency needs and supportive services designed to end the cycle of homelessness in St. Louis County.  
Goal: 600 Youth  
Amount Recommended: \$35,000

10-PS-05

Project Name: Housing Access Program - Damiano of Duluth  
Project Summary: The Damiano Housing Access Program (HAP) provides information, education, Fair Housing information, and counseling services to help both tenants and landlords mediate problems and resolve issues that would otherwise lead to costly evictions and homelessness.  
Goal: 208 People  
Amount Recommended: \$34,000

10-PS-07

Project Name: Battered Women's Shelter Programs - Safe Haven Shelter for Battered Women (SHS), American Indian Community Housing Organization (AICHO)

Project Summary: Safe Haven Shelter for Battered Women (SHS) and the American Indian Community Housing Organization (AICHO) are applying for funding to provide safe, temporary shelter, necessities, advocacy and support for homeless women and children who are victims of domestic violence.

Goal: 550 People

Amount Recommended: \$32,000

10-PS-08

Project Name: Transitional Housing Program - Salvation Army/Women's Community Development Organization

Project Summary: The Salvation Army and Women's Community Development Organization request funding to continue operating transitional housing with supportive services. This collaboration provides 37 apartments for homeless low-income families with children in one or two parent households and for homeless single women.

Goal: 180 People

Amount Recommended: \$54,000

10-PS-09

Project Name: Youth Development Collaborative - YMCA

Project Summary: The Youth Development Collaboration will provide academic enrichment, mentoring activities, and after-school and summer recreational programs for children and youth from low and low moderate income families, increasing the opportunities for a successful, self-sufficient future.

Goal: 800 Youth

Amount Recommended: ~~\$74,000~~ \$87,213

~~10-PS-10~~

~~Project Name: Jump Start Vehicle Loan Program - Community Action Duluth~~

~~Project Summary: The program addresses the transportation barriers faced by many of Duluth's low-income citizens by assisting in the purchase of reliable, fuel efficient vehicles. A personal vehicle opens doors to financial stability, employment/education, health care, improved housing and social supports.~~

~~Goal: In each 12-month grant year, 36 People (18 households) will purchase a vehicle~~

~~Amount Recommended: \$20,000~~

10-PS-11

Project Name: Permanent Supportive Housing - Women's Community Development Organization

Project Summary: Women's Community Development Corporation (WCDO) seeks funding to provide permanent supportive housing to 16 homeless and long term homeless single individuals and families with children.

Goal: 16 households annually 32 individuals

Amount Recommended: \$20,000