

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

09-0756R

RESOLUTION AUTHORIZING A REQUEST FOR HUD HOME FUNDS FOR THE 2010 PROGRAM YEAR, AS WELL AS APPROVING THE REALLOCATION OF CERTAIN PRIOR HOME FUNDS, AND AUTHORIZING CONTRACTS.

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 HOME PROGRAM - FUND 260, AGENCY 020, OBJECT 5434, PROJECT CD10HM

| <u>SUB-PROJECT</u> | <u>ACTIVITY</u> | <u>PROJECTS</u> | <u>AMOUNT</u> |
|--------------------|-----------------|---|---------------|
| GN10 | 1736 | Homeless rental assistance program (TBRA)- HRA | \$ 37,000 |
| GN10 | 1737 | TBRA administration - HRA | \$ 3,000 |
| CH10 | 2270 | Housing predevelopment - NCLT | \$ 22,000 |
| CH101 | 1226 | Housing redevelopment - Center City Housing | \$ 15,000 |
| CH10 | 1227 | WCDO properties - Center City Housing Corp. | \$150,000 |
| CH10 | 2271 | Rehabilitation - resale - NCLT | \$450,000 |
| CH10 | 1228 | East Side housing rehabilitation - Center City Housing Corporation | \$119,249 |
| GN10 | AD03 | Program administration (city) | \$ 79,000 |

Total \$875,249

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

| | | |
|------------------|---------------------------------|------------------|
| Year 2010 | HOME grant | \$820,000 |
| Year 2008 & 2009 | Program income and reprogrammed | <u>\$ 55,249</u> |
| Total | | \$875,249 |

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>2008</u> | <u>CD08HM</u> | | | |
| 08CD02 | Predevelopment | \$17,320 | -\$ 6,928 | \$10,392 |
| <u>2009</u> | <u>CD09HM</u> | | | |
| Bal. Sh. 2220 | Lien repayments | \$48,321 | -\$48,321 | -0- |
| | \$55,249 - 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 approval 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 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 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.

Source of funds:

| | |
|------------------|--|
| \$820,000 | in new 2010 HUD HOME funds |
| <u>\$ 55,249</u> | in program income and reprogrammed funds |
| \$875,249 | |

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 2010 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 2010 HOME program:

10-HM-01

Project Name: Homeless Rental Assistance Program - Duluth HRA

Project Summary: The program will provide rental assistance 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 and maintain stable housing and ultimately work their way out of poverty.

Goal: 8 homeless families to be served

Amount Recommended: \$37,000

10-CD-01

Project Name: Housing Predevelopment - Northern Communities Land Trust (NCLT)

Project Summary: This is an application by Northern Communities Land Trust (NCLT) to pay for staffing costs incurred from April 1, 2010 to March 31, 2011 for project predevelopment activity for the construction and/or substantial rehabilitation of 15-20 permanently affordable single family homes in scattered sites in the City of Duluth for 2011-2012.

Goal: 15-20 households

Amount Recommended: \$22,000

10-CD-02

Project Name: Housing Predevelopment - Center City Housing Corp.

Project Summary: Center City Housing proposed to investigate the need for and the optimal locations for targeted permanent supportive housing as identified in the St. Louis County Ten Year Plan to end homelessness.

Goal: approximately 30 annually

Amount Recommended: \$15,000

10-CH-01

Project Name: WCDO Properties - Center City Housing Corp.

Project Summary: Center City Housing Corp. (CCHC) will be the CHDO sponsor for Women's Community Development Corporation (WCDO) to rehab 21 units of Transitional Housing for homeless families with children and homeless single individuals.

Goal: 21 Units

Amount Recommended: \$150,000

10-CH-02

Project Name: Rehabilitation & Resale - Northern Communities Land Trust

Project Summary: Northern Communities Land Trust (NCLT) will create quality, permanently affordable homeownership opportunities for income qualified households through the rehabilitation and resale of eighteen blighted and/or foreclosed single-family homes in the City of Duluth, with a focus on SNAP and NSP areas.

Goal: 11 households

Amount Recommended: \$450,000

10-CH-03

Project Name: East Side Housing Rehabilitation - Center City Housing Corp.

Project Summary: East Side Housing Rehabilitation will preserve nine apartments in Duluth's East Hillside that are affordable to low to moderate income households. Without the proposed rehabilitation, these apartments will go out of service in less than one year.

Goal: 9 units of affordable rental housing

Amount Recommended: \$119,249