

PLANNING & ECONOMIC DEVELOPMENT COMMITTEE

10-0627R

RESOLUTION AUTHORIZING A REQUEST FOR HUD FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2011 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. 10-0626R, adopted December 20, 2010, approved FY 2011 annual Action Plan portion of the 2010-2014 Consolidated 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:

2011 CITY OF DULUTH COMMUNITY DEVELOPMENT BLOCK

GRANT (CDBG) PROGRAM-FUND 262, AGENCY 020, OBJECT 5434 PROJECT CD10CD

SUB

<u>PROJECT</u>	<u>ACTIVITY</u>	<u>AMOUNT</u>	<u>PROJECTS</u>
<u>HOUSING PROJECTS</u>			
HOUS	1734	\$ 705,253	Duluth Property Rehab Program - HRA
HOUS	1291	\$ 60,000	FAIM IDA Housing Counseling/Downpayment Assistance - Community Action Duluth
HOUS	1091	\$ 180,000	Duluth Weatherization Program - AEOA
HOUS	2270	\$ 200,000	Multi-family Development - NCLT
HOUS	227A	\$ 116,500	Duluth Emergy Efficiency Program - NCLT/Common Ground

ECONOMIC DEVELOPMENT PROJECTS

ECDV	2412	\$ 160,000	SOAR Duluth At Work - SOAR Career Solutions
ECDV	1244	\$ 120,000	CHUM Support Services for Employment - Churches United in Ministry
ECDV	2805	\$ 40,000	NYS JET (Jobs, Education and Training) - Neighborhood Youth Services
ECDV	2264	\$ 66,500	Growing Neighborhood Businesses - Northeast Entrepreneur Fund, Inc.
ECDV	1974	\$ 48,000	Futures Program - Life House
ECDV	1291	\$ 90,000	Circles of Support -Community Action Duluth

PUBLIC FACILITY IMPROVEMENT PROJECTS

PFAC	PF01	\$ 132,000	Curb Ramp Accessibility & Sidewalk Improvements
PFAC	PF04	\$ 84,000	Street Assessment Assistance - Community Development

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	1226	\$ 20,000	Permanent Supportive Housing - Center City
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 CCHC
PSVC	1168	\$ 93,000	Youth Development Collaborative: Valley

Youth Center, Grant Community School Collaborative, Boys & Girls Club, YMCA Mentor Duluth Collaborative, YWCA Girls & Youth Programs

PSVC 251A \$ 30,000 Housing Support Program - Salvation Army
 PSVC 1291 \$ 26,500 Jump Start - Community Action Duluth

PLANNING/PROGRAM ADMINISTRATION

ADMC AD01 \$ 507,000 CDBG Program Administration
 ADMC AD02 \$ 50,000 Neighborhood Revitalization Planning
 ADMC 2805 \$ 20,000 Skills2Success - NYS
 ADMC AD07 \$ 15,000 Housing for Inmates Plan - Housing for Inmates, Inc.
 ADMC AD08 \$ 10,000 At Home Targeted Revitalization - NHS/SVCNDA
 ADMC 2511 \$ 10,000 Developing Housing Support Program - Salvation Army

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

SOURCE OF FUNDING

Year 2011	CDBG Grant - city	\$3,070,000
Year 2006	CDBG Grant - city	\$ 2,059
Year 2007	CDBG Grant - city	\$ 2,591
Year 2010	CDBG Grant - city	\$ 27,603
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Total		\$3,102,253

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

Original	Amount	Revised
<u>Budget</u>	<u>of Change</u>	<u>Budget</u>

2006 CD06CD

ADMC-AD-03 Contingency Account \$ 5,059 (\$ 2,059) \$ 3,000

2007 CD07CD

ADMC-AD Contingency Account \$ 969 (\$ 969) -0-

PFAC-PF-02 Damiano Parking Lot \$123,000 (1,622) \$121,378

2010

PSVC-134A Housing Access Project \$ 27,603 (\$ 27,603) -0-

\$32,253 - Total Amount Reprogrammed

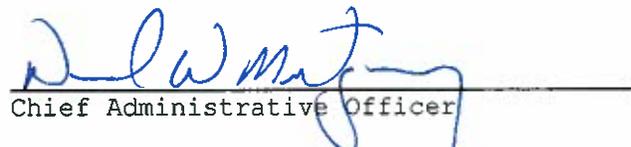
BE IT FURTHER RESOLVED, that the city of Duluth and its officials are authorized and directed to assume full responsibility for assuring that its community development program is carried out in full compliance with the provisions of the acts implementing the programs and all regulations of HUD issued 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 for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

CD KH:file 12/6/2010

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 3, 2010 to December 3, 2010, on draft 2011 annual Action Plan portion of the 2010-2014 Consolidated Plan, which includes recommended funding for the 2011 CDBG, HOME, and ESG programs. The CD Committee held a public hearing on December 7th to hear comments on the funding recommendations and then modified its initial amounts to reflect those comments. The final recommendations were approved on December 7, 2010, with the concurrence of the Community Development Manager.

Sources of funds: \$3,070,000 in new 2011 HUD CDBG funds and \$32,253 reprogrammed CDBG funds (2006-2010 CDBG programs).

\$3,070,000	Estimated CDBG funds
<u>32,253</u>	Reprogrammed CDBG funds and Program Income
\$3,102,253	2011 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 2011 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:

HOUSING

11-HS-01

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

Project Summary: HRA will provide low interest and deferred loans for rehabilitation assistance to eligible homeowners and rental property owners within the city of Duluth. Homeowners can apply for up to \$20,000 in deferred loans. Rental owners can apply for a 2% interest loan to renovate their properties, which then must serve low to moderate income tenants.

Applications are accepted at the HRA offices located at 222 East Second Street, Duluth, MN 55805.

Goal: 60 units (60 Rental Rehab)

Amount Recommended: \$705,253

11-HS-02

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

Project Summary: The program will assist 11 households with a matched savings program as they save money for homeownership. Financial education, credit counseling, on-going housing counseling, and match money for the downpayment are provided to participants. Eligible participants will be those with incomes less than 80% of the area median family income, based upon household size. Note that the City does not accept applications for this program; interested persons should contact Community Action Duluth at (218) 726-1665.

Goal: 11 Households

Amount Recommended: \$60,000

11-HS-03

Project Name: Duluth Weatherization Program - AEOA
Project Summary: Arrowhead Economic Opportunity Agency (AEOA) provides energy conservation measures in homes of income eligible energy assistance clients within the city of Duluth. Energy Conservation is achieved through mechanical repairs/replacements, air sealing and insulation. The program will provide a grant up to \$6,5000 per eligible household; income eligibility is set at incomes at or below 50% of the State median income. Note that the City does not accept applications for this program; interested persons should contact AEOA at (218) 624-7625 or (218) 628-0877.
Goal: 30 Housing Units
Amount Recommended: \$180,000

11-HS-04

Project Name: Duluth Energy Efficiency Program FY 2011
Project Summary: The Duluth Energy Efficiency Program (DEEP) will utilize CDBG/HOME funding for households whose income is between AEOA eligibility and 80% AMI, for home performance testing, weatherization and air sealing, to reduce energy costs by 20% and increase housing affordability.
Goal: 63 housing units
Amount Recommended: \$116,500

11-HS-07

Project Name: Multi-family Development - Northern Communities Land Trust
Project Summary: NCLT's proposal is to acquire dilapidated rental housing to be developed into permanent supportive housing for families, co-located with program and office space and emergency family shelter space for CHUM. A pre-commitment of 2012 HOME funding of \$300,000 will be used for the rehab the units, with a planned redeveloped project resulting in 32 affordable units.
Goal: 32 Housing Units
Amount Recommended: \$200,000

ECONOMIC DEVELOPMENT

11-ED-01

Project Name: SOAR Career Solutions Duluth At Work (SOAR DAW) - SOAR Career Solutions
Project Summary: SOAR Career Solutions will provide job skills training, case management, job placement and job retention support to assist 20 Duluth residents at or below 50% of Area Median Income to obtain employment and maintain their jobs to increase their income by 25% over three years.
Goal: 20 Jobs
Amount Recommended: \$160,000

11-ED-02

Project Name: CHUM Support Services for Employment - CHUM
Project Summary: 15 LMI 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: \$120,000

11-ED-03

Project Name: NYS JET (Jobs, Education & Training) - Neighborhood Youth Services
Project Summary: The Neighborhood Youth Service 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

11-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 existing 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: \$66,500

11-ED-05

Project Name: Futures Program - Life House

Project Summary: The Futures Program will assist six at-risk and/or homeless youth ages 16-20, from CDBG targeted neighborhoods, in becoming self-sufficient through employment training, job placement, education, and other services which will lead to a 25% income increase over a three-year period.

Goal: 6 Jobs

Amount Recommended: \$48,000

11-ED-06

Project Name: Circles of Support - Community Action Duluth

Project Summary: Community Action Duluth (CAD) will provide 3 years of employment training, case management, and job placement to 11 single mothers. In addition, educational opportunities, group sessions, Circles of Support volunteer allies, and financial coaching leading to employment will be provided.

Goal: 11 job placements

Amount Recommended: \$90,500

PUBLIC FACILITY IMPROVEMENTS

11-PF-01

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

Project Summary: Construct accessible pedestrian curb ramps to current ADA standards at street intersections along Superior St. between 22nd Ave. West and 27th Ave. West, and improve the sidewalks between the newly installed ramps to create a smooth surface for persons with physical limitations.

Goal: 20 Units

Amount Recommended: \$132,000

11-PF-04

Project Name: Street Assessment Assistance - Community Development

Project Summary: The Community Development Street Assistance program provides financial assistance to LMI households by using CDBG funds for the payment of street improvement assessments for homeowners in CDBG Target Neighborhoods and City-wide. Twenty (20) income qualified households will be directly assisted. Projects will include the 36th Avenue East area, Anderson Road area, Ivanhoe Street area, and Riverside Drive area.

Goal: 20 Households

Amount Recommended: \$84,000

PUBLIC SERVICES

11-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, through congregate meal sites and emergency food shelf programs.

Goal: 16,000 people over 2 years (8,000/yr)

Amount Recommended: \$75,000

11-PS-02

Project Name: Primary Health Care Services - Lake Superior Community Health Center

Project Summary: Support the provision of affordable, primary health care, including dental care, for uninsured and underinsured low and moderate income individuals and families in accessible locations within the City.

Goal: 2,700

Amount Recommended: \$77,000

11-PS-03

Project Name: Clothes that Work & Social Services - Damiano Center

Project Summary: The Damiano Center provides low to moderate 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

11-PS-04

Project Name: Emergency Heating Assistance - The Salvation Army

Project Summary: The Salvation Army Emergency Heating Assistance program serves low income households in Duluth experiencing a heating crisis. Grants are provided to prevent or resolve utility disconnects. Utility deposit assistance and oil/propane vouchers are also provided to households needing those resources.

Goal: 165 People

Amount Recommended: \$25,000

11-PS-05

Project Name: LIFELINE Expressway of Youth Services - Life House

Project Summary: Life House "LIFELINE Expressway" will assist 600 at-risk and/or homeless youth annually, ages 14-20, in Duluth, to address basic needs (food, clothing, shelter) and connect with on-site support services that help with stabilization.

Goal: 600 People

Amount Recommended: \$35,000

11-PS-06

Project Name: Permanent Supportive Housing - Center City Housing Corp.

Project Summary: Center City Housing will provide 14 units of permanent supportive housing for homeless/long-term homeless individuals and families with children. Programming will include housing, supportive services, advocacy and referral to help residents maintain housing stability.

Goal: 65 People

Amount Recommended: \$20,000

11-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 550 homeless women and children who are victims of domestic violence.

Goal: 550

Amount Recommended: \$32,000

11-PS-08

Project Name: Transitional Housing Program - Salvation Army/Center City Housing Corp.

Project Summary: Salvation Army and Center City Housing will provide transitional housing (37units) and support services to assist homeless families and single women (180 persosn) move toward greater housing stability.

Goal: 180

Amount Recommended: \$54,000

11-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 1,155 children and youth from low and low-moderate income families, increasing the opportunities for a successful, self-sufficient future.

Goal: 950

Amount Recommended: \$93,000

11-PS-10

Project Name: Housing Support Program - Salvation Army

Project Summary: The Housing Support Program is a collaborative between 3 agencies, The Salvation Army, Legal Aid, and Churches United in Ministry. Tenant/ Landlord counseling services include mediation, education and information/referral services to prevent evictions and housing search/placement assistance to resolve homelessness.

Goal: 225 People

Amount Recommended: \$30,000

11-PS-11

Project Name: Jump Start - Community Action Duluth

Project Summary: JumpStart provides down-payment assistance, financial and credit repair education, case management support, and car ownership and maintenance education to assist 22 low-income (below 80% AMI) households purchase reliable, fuel-efficient vehicles, providing improved access to employment, education and health care.

Goal: 19 households

Amount Recommended: \$26,500