

PLANNING & ECONOMIC DEVELOPMENT COMMITTEE

10-0628R

RESOLUTION AUTHORIZING A REQUEST FOR HUD HOME FUNDS FOR THE 2011 PROGRAM YEAR AND AUTHORIZING CONTRACTS.

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 HOME PROGRAM - FUND 260, AGENCY 020, OBJECT 5434, PROJECT CD11HM

SUB

<u>PROJECT</u>	<u>ACTIVITY</u>	<u>PROJECTS</u>	<u>AMOUNT</u>
GN10	1736	Homeless Rental Asst. Program (TBRA)- HRA	\$ 121,500
GN10	1737	TBRA Admin - HRA	\$ 19,400
GN10	1738	Duluth Property Rehabilitation Program-HRA	\$ 200,000
CH10	2270	Housing Predevelopment - NCLT	\$ 20,000
CH10	1226	Housing Redevelopment - Center City Housing	\$ 20,000
CH10	227A	Multi-family Development - NCLT	\$ 300,000*
CH10	2271	Rehabilitation - Resale - NCLT	\$ 367,500
GN10	AD03	Program Administration (City)	\$ 61,600
Total			\$ 810,000

\* Pre-Commitment for FY 2012-2013

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

Year 2011	HOME Grant	\$ 810,000
-----------	------------	------------

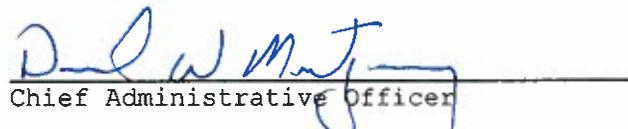
BE IT FURTHER RESOLVED, that the city of Duluth and its officials are authorized and directed to assume full responsibility for assuring that its community development program is carried out in full compliance with the provisions of the acts implementing the programs and all regulations of HUD issued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

  
Chief Administrative Officer

Approved as to form:

  
Attorney

Approved:

  
Auditor

CD KH:jle 12/3/2010

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 3, 2010 to December 3, 2010, on the 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.

Source of Funds:

\$810,000 in new 2011 HUD HOME funds

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 2011 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 2011 HOME Program:

11-HM-01

Project Name: Homeless Rental Assistance Program - Duluth HRA

Project Summary: The program will provide rental assistance for households who would otherwise be homeless or are homeless by HUD's definition. The City and the HRA have established this program to provide rental assistance as a significant component in the continuum of services to prevent homelessness. Note that the City does not accept applications for this program; interested persons should contact the HRA at (218) 529-6300.

Goal: 20 homeless families to be served

Amount Recommended: \$121,500

11-HM-02

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: 10 units (10 Single Family)

Amount Recommended: \$200,000

11-CD-01

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

Project Summary: This proposal is for funding to pay for staffing costs incurred from April 1, 2011 to March 31, 2012 for project predevelopment for single and multi-family housing development activity in Duluth for 2012-13.

Goal: 1 Organization

Amount Recommended: \$20,000

11-CD-02

Project Name: Housing Predevelopment - Center City Housing Corp.

Project Summary: Center City Housing (CCHC) will conduct pre-development activities that will focus on implementing needs identified in a completed homeless needs study. They will also complete housing development planning activities that will assist in implementing future housing projects.

Goal: 1 Organization

Amount Recommended: \$20,000

11-CH-01

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 or 2013 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: \$300,000

11-CH-02

Project Name: Rehabilitation & Resale - Northern Communities Land Trust

Project Summary: Northern Communities Land Trust will create quality, permanently affordable homeownership opportunities for low to moderate income households through the rehabilitation and resale of nine single family homes in the City of Duluth, with a focus on HOME/CDBG target areas. Applications are taken at the NCLT offices, call for information at (218) 727-5372.

Goal: 9 Housing Units

Amount Recommended: \$367,500