

# COUNCIL COPY

## PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE AMENDED

12-0075R

RESOLUTION AUTHORIZING A REQUEST FOR HUD FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2012 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. 12-0072, adopted February 13, 2012, approved FY 2012 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 solutions 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:

### 2012 CITY OF DULUTH COMMUNITY DEVELOPMENT BLOCK

GRANT (CDBG) PROGRAM-FUND 262, AGENCY 020, OBJECT 5434 PROJECT CD12CD

<u>SUBPROJECT</u>	<u>ACTIVITY</u>	<u>AMOUNT</u>	<u>PROJECTS</u>
<u>HOUSING PROJECTS</u>			
HOUS	1734	\$ 750,659	Duluth property rehabilitation program - HRA
HOUS	1291	\$ 55,000	IDA housing counseling/downpayment assistance - Community Action Duluth
HOUS	1091	\$ 171,320	Duluth weatherization program - AEOA
<u>ECONOMIC DEVELOPMENT PROJECTS</u>			
ECDV	2412	\$ 112,000	SOAR Duluth At Work - SOAR Career Solutions
ECDV	1244	\$ 72,000	CHUM Support Services for Employment - Churches United in Ministry
ECDV	2805	\$ 16,000	NYS JET (jobs, education and training) - Neighborhood Youth Services

ECDV	2264	\$ 64,000	Growing Neighborhood Businesses - Northeast Entrepreneur Fund, Inc.
ECDV	1974	\$ 24,000	Futures program - Life House
ECDV	1291	\$ 56,000	Circles of Support -Community Action Duluth

PUBLIC FACILITY IMPROVEMENT PROJECTS

PFAC	PF01	\$ 313,790	Soup kitchen renovation - Damiano Center
PFAC	PF02	\$ 50,000	Lincoln Park School redevelopment - Boys & Girls Club

PUBLIC SERVICE PROJECTS

PSVC	1244	\$ <del>64,855</del> <u>64,703</u>	Duluth hunger project - CHUM
PSVC	1929	\$ <del>66,632</del> <u>66,480</u>	Primary health care services - Lake Superior Community Health Center
PSVC	1348	\$ <del>17,769</del> <u>17,617</u>	Clothes That Work and social services - Damiano Center
PSVC	124A	\$ <del>30,207</del> <u>30,055</u>	Homeless stabilization services - CHUM
PSVC	1974	\$ <del>31,095</del> <u>30,943</u>	LIFELINE Expressway of Youth Services - Life House
PSVC	1226	\$ <del>15,992</del> <u>15,480</u>	Permanent supportive housing - Center City
PSVC	2509	\$ <del>17,769</del> <u>17,617</u>	Battered Women's Shelter program - Safe Haven Shelter
PSVC	2511	\$ <del>17,769</del> <u>17,616</u>	Transitional housing program - Salvation Army
PSVC	1168	\$ <del>21,322</del> <u>21,170</u>	Feeding Kids Through Youth programs - YMCA
PSVC	2109	\$ <del>13,327</del> <u>15,000</u>	Services for Homeless Veterans - MACV
PSVC	122A	\$ <del>19,546</del> <u>19,394</u>	Transitional housing program - Center City
PSVC	1050	\$ <del>4,442</del> <u>4,290</u>	Oshki transitional housing - AICHO

PLANNING/PROGRAM ADMINISTRATION

ADMC	AD01	\$ 476,330	CDBG program administration
ADMC	AD02	\$ 20,000	Neighborhood revitalization planning

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

SOURCE OF FUNDING

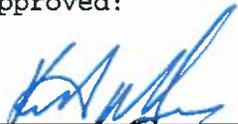
Year 2012	CDBG grant - city	\$2,138,165
	Resolution 11-0679	\$ 343,659
<hr/>		
Total		\$2,481,824

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.

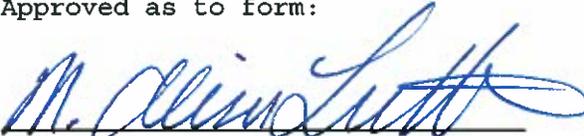
Approved:

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

Approved for presentation to council:

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

Approved as to form:

  
\_\_\_\_\_  
Attorney

Approved:

  
\_\_\_\_\_  
Auditor

CD KH:bel 02/02/2012

STATEMENT OF PURPOSE: This resolution This resolution reflects comments from organizations and citizens as related to the fund for the Community Development Block Grant Program (CDBG). In addition to citizens, the Community Forums and the Community Development Committee (CD Committee) each played a role in the recommendations contained in this resolution. There was a 30-day public comment period from November 1- December 3, 2011, on the draft FY 2012 Annual Action Plan portion of the 2010-2014 Consolidated Plan, which includes recommended funding for the 2012 CDBG, HOME and ESG programs. The CD Committee held a public hearing on December 6<sup>th</sup> and then continued this hearing on January 31<sup>st</sup> to hear comments on the funding recommendations and then modified the initial recommendations to reflect the comments and the final grant amounts. These recommendations were approved on January 31, 2012, with the concurrence of the Community Development Manager.

Source of Funds:  
\$2,138,165 in new 2012 HUD CDBG Funds  
\$ 343,659 in reprogrammed CDBG funds - Resolution #11-0679R  
\$2,481,824 2012 Program Total

The resolution, in addition to authorizing application for grant funds and administration of same when received, also takes the following actions:  
1Allocates funds by project for 2012 CDBG Program.  
2Authorizes contracts for the activities upon receipt of the funding contract and completion of the environmental review process. Housing contracts will include addendums that require affordability restrictions in accordance with HUD regulations.

**HOUSING**

**12-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 loans to address code deficiencies and lead paint hazards. Rental owners can apply for a 2% interest loan to renovate their properties, which then must serve low to moderate income tenants.

**Goal:** 100 units (40 Single-family and 60 Rental Rehab)

**Amount Recommended:** \$750,659

**12-HS-02**

**Project Name:** 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.

**Goal:** 11 Households

**Amount Recommended:** \$55,000

**12-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 80% of the area median income.

**Goal:** 44 Housing Units

**Amount Recommended:** \$171,320

**ECONOMIC DEVELOPMENT**

**12-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 14 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:** 14 Jobs

**Amount Recommended:** \$112,000

**12-ED-02**

**Project Name:** CHUM Support Services for Employment - CHUM

**Project Summary:** 8 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:** 8 Jobs  
**Amount Recommended:** \$72,000

**12-ED-03**

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

**Project Summary:** The Neighborhood Youth Service JET Project will assist two 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:** 2 Jobs  
**Amount Recommended:** \$16,000

**12-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 2 years.

**Goal:** 8 LMI neighborhood small business owners grow their business revenue by 25% within 3 years.  
**Amount Recommended:** \$64,000

**12-ED-05**

**Project Name:** Futures Program - Life House

**Project Summary:** The Futures Program will assist three 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:** 3 Jobs  
**Amount Recommended:** \$24,000

**12-ED-06**

**Project Name:** Circles of Support - Community Action Duluth

**Project Summary:** The Circles of Support Program will assist seven single female head of households, 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:** 7 Jobs  
**Amount Recommended:** \$56,000

**PUBLIC FACILITY IMPROVEMENTS**

**12-PF-01**

**Project Name:** Soup Kitchen Renovation - Damiano Center

**Project Summary:** This project will complete improvements to the Kitchen and meal service area to meet the growing needs for serving on-site meals for accessibility. Also, included in this proposal is the expansion of the kitchen area for food preparation.

**Goal:** 1 Facility  
**Amount Recommended:** \$313,790

**12-PF-02**

**Project Name:** Lincoln Park School Redevelopment - Boys & Girls Club

**Project Summary:** The Boys & Girls Club will be participating with the new

owner of the Lincoln Park school to separate their current club facility from the rest of the building to facilitate the overall redevelopment. This funding will assist to separate and improve the HVAC system for the Youth Center.

**Goal:** 1 Facility

**Amount Recommended:** \$250,000

#### **PUBLIC SERVICES**

##### **12-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:** 12,000 people

**Amount Recommended:** \$64,855

##### **12-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:** 6,300

**Amount Recommended:** \$66,632

##### **12-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:** \$17,769

##### **12-PS-05**

**Project Name:** Feeding Kids through Youth Programs - YMCA

**Project Summary:** This Collaborative of four agencies will provide nutritional meals during the time youth are participating in the youth development programs. This funding will provide the foods and services for the meal service.

**Goal:** 1540

**Amount Recommended:** \$21,322

##### **12-PS-06**

**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:** \$31,095

##### **12-PS-07**

**Project Name:** Homeless Stabilization Services for shelter - CHUM

**Project Summary:** Operating funds are requested for Duluth's primary facility for

serving the general homeless population. The CHUM Center and emergency shelters, the program's main components, provide shelter and services 24 hrs/day, 365 days/year. The CHUM Center is the primary outreach site for agencies providing services to people who are homeless.

**Goal:** 900 persons

**Amount Recommended:** \$30,207

**12-PS-08**

**Project Name:** Battered Women's Shelter Programs - Safe Haven Shelter for Battered Women

**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 500 homeless women and children who are victims of domestic violence.

**Goal:** 500

**Amount Recommended:** \$17,769

**12-PS-09**

**Project Name:** Oshki Transitional Housing Program - AICHO (American Indian Community Housing Organization)

**Project Summary:** AICHO will provide transitional housing and support services to assist homeless families and single women (30 persons) move toward greater housing stability.

**Goal:** 30

**Amount Recommended:** \$19,546

**12-PS-10**

**Project Name:** Transitional Housing Program - Center City Housing Corp.

**Project Summary:** Center City Housing will provide transitional housing and support services to assist homeless families and single women (120 persons) move toward greater housing stability.

**Goal:** 120

**Amount Recommended:** \$19,546

**12-PS-11**

**Project Name:** Services for Homeless Veterans - MACV-Duluth

**Project Summary:** Minnesota Assistance Council for Veteran's (MACV) regional program, MACV-Duluth, is the only veteran specific program that addresses the needs of those that are currently experiencing homelessness or at-risk of becoming homeless in this community. MACV-Duluth will provide transitional housing and support services to help 60 homeless/at-risk veterans access housing and improve housing stability.

**Goal:** 60 Veterans

**Amount Recommended:** \$13,327

**12-PS-12**

**Project Name:** Family Transitional Housing Program - Salvation Army

**Project Summary:** Salvation Army will provide transitional housing and support services to assist homeless families (100 persons) move toward greater housing stability.

**Goal:** 100

**Amount Recommended:** \$17,769

**12-PS-13**

**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:** 91 People

**Amount Recommended:** \$15,992