

## RESOLUTION 11-C-01 (revised)

### RESOLUTION APPROVING FY 2012 FUNDING STRATEGIES FOR COMMUNITY DEVELOPMENT PROGRAM

RESOLVED, that the CD Committee hereby approves the following funding strategies for the FY 2012 Community Development Program.

#### FY 2012 Funding Targets and Strategies

##### CDBG

30% Housing

- Investment in activities according to the Affordable Housing Strategy
- All housing rehabilitations will achieve a 20% energy savings with the completion of the improvements

15% Economic Development

- Small business assistance that leads to job creation or business stability
- Duluth At-Work program (Economic Opportunity Initiative) - Employment training that leads to job placement (either a CBDO or non-profit that has employer commitments for job placements) and maintaining a 3 year relationship to mentor participants with a target increase in income of 25%.

20% Public Facilities

- Reimburse street assessments of homeowners participating in the City's SIP (Street Improvement Program) projects
- Accessibility improvements to sidewalks or public facilities
- Improvements to non-City owned neighborhood service facilities (no city-owned facilities until a long range plan is completed)

15% Public Services (establish a per unit amount for services)

- Food and clothing \*
- Health & Dental care \*
- Permanent supportive services for homeless as outlined in 10 Year Plan
- Emergency Assistance to prevent utility disconnections or evictions, through fair housing services (\* Essential Service)

20% Planning & Program Administration

- No new project plans
- Decrease neighborhood planning role

##### HOME

0% CHDO (Community Housing Development Organizations)

- Develop a project within two years that meets a need 10 Year Plan to reduce homelessness or a target area

35% Homeowner Development

- Develop new affordable units according to the Affordable Housing Strategy, including the acquisition and rehabilitation of housing units that might be in the foreclosure process to reduce the impacts on neighborhoods. These units should achieve a 20% energy savings with the completion of the improvements.

- 40% Rental Redevelopment
  - Awards or Pre-commitments for the development of new affordable units (this would be a property acquisition or rehabilitation activity that is focused on a specific outcome) as outlined in a plan. These units should achieve a 20% energy savings with the completion of the improvements
- 15% Tenant Based Rental Assistance – Programs must be serving populations as identified from the 10 year plan to end homelessness
- 10% Program Administration

Other considerations – No applications will be accepted from agencies on Probation and New Applicants must have been funded by some other Federal, State or Foundation prior to applying for Community Development funds. All applications for funding shall show how costs are being reduced by program efficiencies. No joint applications except for essential services under public service category.

### **COMMUNITY DEVELOPMENT AFFORDABLE HOUSING STRATEGIES**

Overarching Housing Assistance Goals for all housing activities:

1. All funding will be in the form of amortizing loans;
2. All applications and income documentation will be done through a “Centralized” intake;
3. Upgrade the Quality of Multifamily Housing units in conjunction with lead remediation grant;
4. Provide a high impact in Priority Target areas;
5. Create Energy Efficient units through a 20% reduction of utility usage to reduce housing cost burden as identified in the Prosperity Agenda;
6. Develop personal assets for households to achieve homeownership.
7. Single Family Rehab for Pilot Healthy Homes Project only, as match for lead remediation grant.

Overarching CHDO Goals:

1. Submit an Annual update to CHDO strategic plan.

PRIORITY TARGET AREAS - Community Development will prioritize applications as follows:

1. Community Development Target Areas
2. At-Home Target Areas

#### TARGETED HOUSING ACTIVITIES

Multi-Family Rehab \$10,000-20,000/unit  
 Energy Efficiency Improvements \$5,000-8,000/unit  
 Acquisition/Rehab \$45,000-60,000/unit  
 Asset Development \$5,000-6,000/household  
 Healthy Homes \$15,000-\$20,000/unit.

Approved for presentation to the CD Committee:

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Keith Hamre, Manager

CD Committee KH:kh June 16, 2011

#### STATEMENT OF PURPOSE:

This resolution sets the percentages and specific funding strategies for the FY 2012 application process. Also, this resolution provides for the implementation of an affordable housing strategy.