The 2012 Consolidated Annual Performance and Evaluation Report (CAPER)

June 14, 2012

Prepared for
United States Department of Housing and Urban Development

by
Community Development Division, City of Duluth, Minnesota

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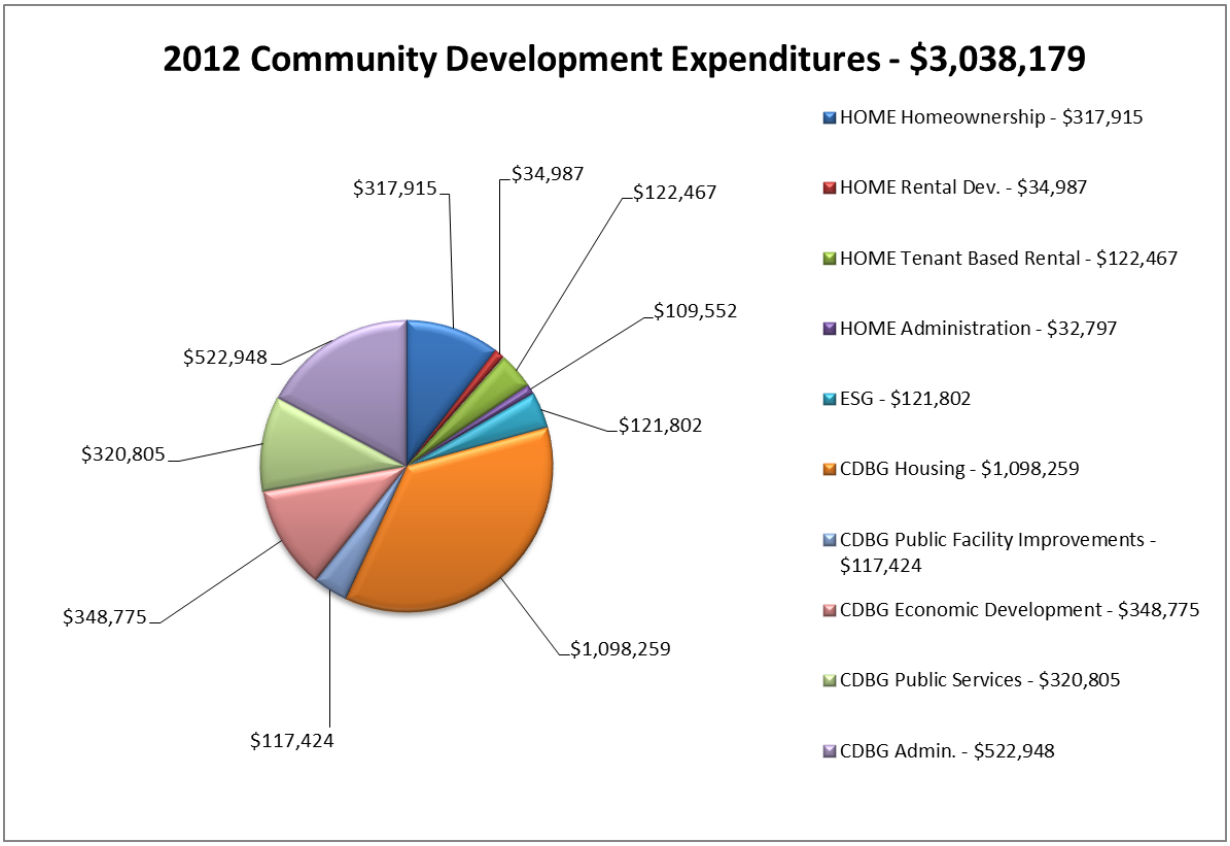
Executive Summary

The purpose of this report, the Consolidated Annual Performance and EvaluationReport (CAPER), is to outline 2012 accomplishments in community development and housing. This work was undertaken in large part through three major funding programs provided by the U.S. Department of Housing and Urban Development (HUD):

* Community Development Block Grant (CDBG) Program
* HOME Investment Partnerships Program (HOME)
* Emergency Shelter Grant Program (ESGP)

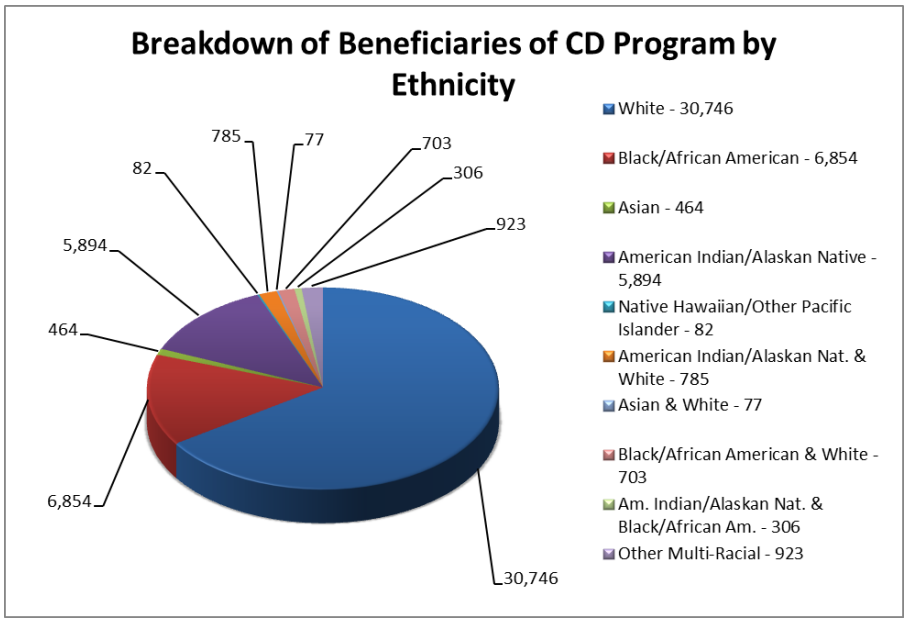
This report is organized according to these three funding sources, including information on fair housing and equal opportunity initiatives. A summary of other resources leveraged by these community development resources and citizen comments concludes the report. These comments were submitted to the City during the 15-day public comment period from June 14th to June 28th.

The following pie chart is a summary of the year's community development expenditures by program and category:

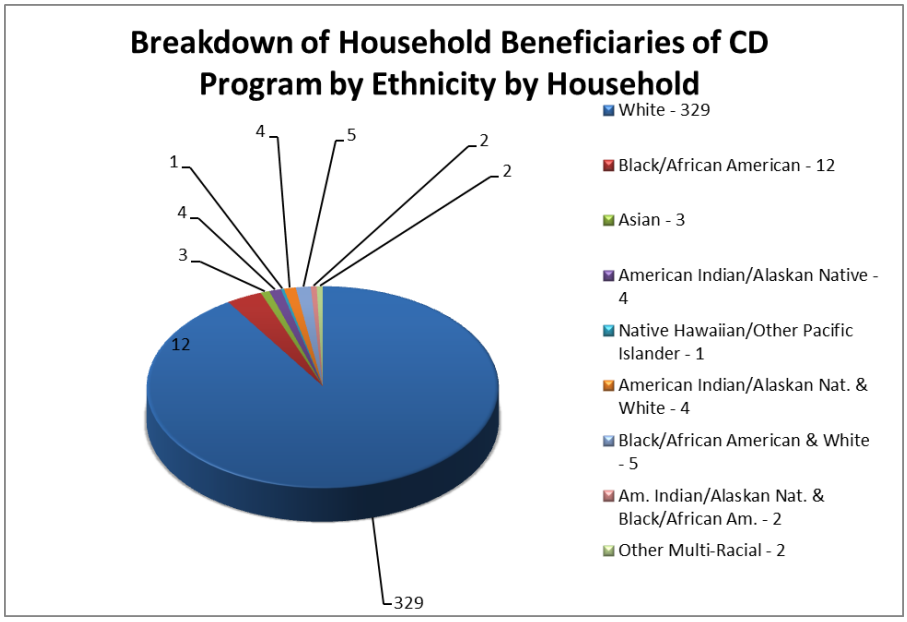


Demonstrating the impact of these community development resources on the lives of persons with low and moderate incomes is a main objective of this evaluation report. Thus, it is the City's objective that this report present to Duluth citizens and HUD a clear, complete statement of activity, as well as comply with federal statutory regulations.

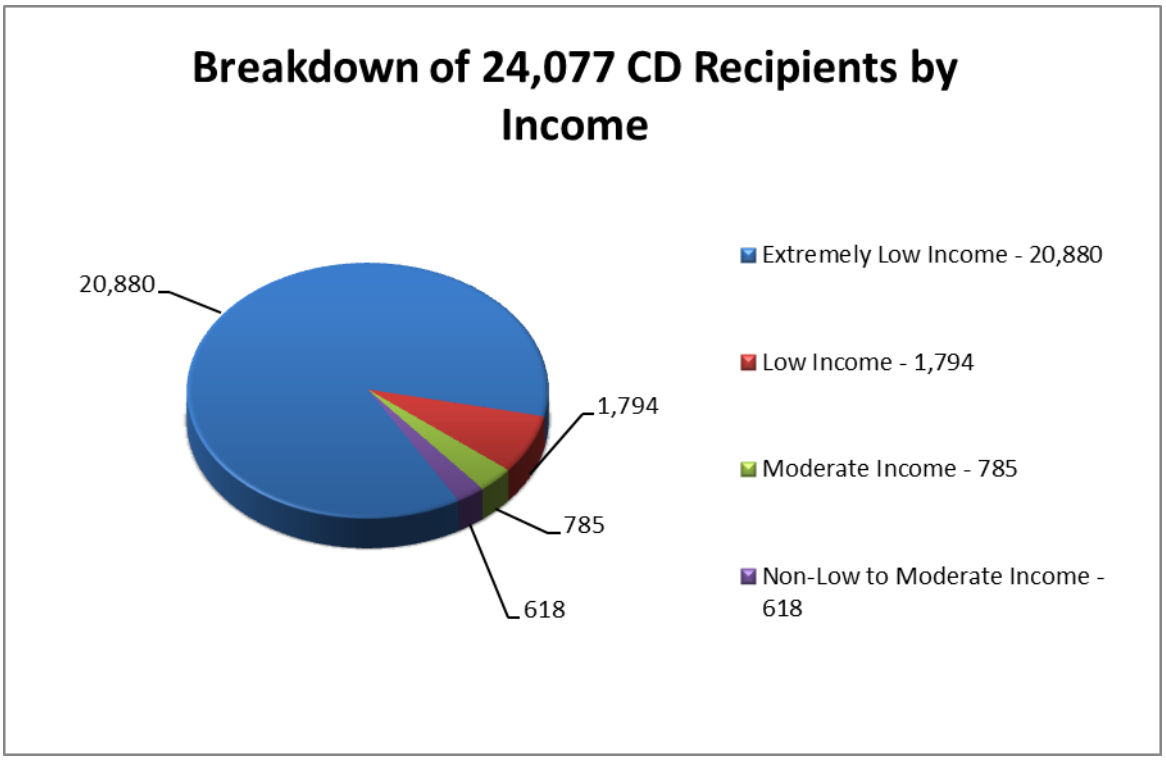
The below is a chart of beneficiaries by ethnicity:



*Of the total persons 46,834 served, 611 were of Hispanic Ethnicity



The following is a breakdown of the income of the beneficiary population in comparison to categories of "Extremely Low Income" (less than 30% of the area median income), "Low Income" (more than 30% but less than 50% of the area median income), "Moderate Income" (more than 50% but less than 80% of the area median income) and "Non-Low to Moderate Income" (higher than 80% of the area median income).



The subsequent sections of the 2012 performance report provide an evaluation of activities measured against the goals and priorities of the City of Duluth's 2012 Action Plan. This Action Plan is an annual investment plan - a component of the 2010-2014 Consolidated Plan for Housing and Community Development. The evaluation of activities in this report serves as a tool for bench marking the impact of the five-year Consolidated Plan.

The five-year Consolidated Plan contains the principal goals and strategies against which annual progress is measured. Reporting on 2012 activities - the third year of the five-year plan period - provides a sense of the City of Duluth's progress toward achieving its community development and housing goals.

Reaching the goals and meeting the needs of our community would not be possible without the commitment of the City's community development and housing partners, and to them we offer our gratitude. Additional financial information from the HUD computer system is available for review in the City of Duluth's Community Development Division.

For additional information or to submit comments on this 2012 report, please contact:

Keith Hamre, Director
City of Duluth
Planning & Construction Services Department
Room 407 City Hall
Duluth, MN 55802

(218) 730-5480
(218) 730-5915 (fax)
khamre@duluthmn.gov

Table 3A Summary of Specific Annual Objectives

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IDIS Code	Housing Objective Priority Need	Funding Source	Performance Indicator	2010 Goal	2010 Actual	2010 Source Amount	2011 Goal	2011 Actual	2011 Source Amount	2012 Goal	2012 Actual	2012 Source Amount	2013 Goal	2013 Actual	2013 Source Amount	Percent of 5yr Goal	5 Year Goal	5 Year Actual	% Achieved of 5 Yr actual	Outcome/ Objective
05S	**Rental Housing Subsidies**		**Households**	**8**	**0**		**17**	**0**		**20**	**48**		**$ 20**	**0**		**130%**	**50**	**48**	**96%**	
	Tenant Based Rental Assistance - HRA	HOME	Households	8		$ 37,000					21									DH-1
	Tenant Based Rental Assistance - HRA	HOME	Households				17		$ 104,500		27									**DH-1**
	Tenant Based Rental Assistance - HRA	HOME	Households							**20**	**0**	$ 125,000								
	Tenant Based Rental Assistance - HRA	HOME	Households										20		$ 125,000					
12	**New Construction**		**Housing Units**										**44**			**63%**	**70**	**0**	**0%**	
	Hillside Apartments - One Roof Community Hsg	HOME	Housing Units										44		$ 250,000					DH-1
13	**Direct Homeownership Assistance**		**Households**	**13**	**1**		**12**	**14**		**11**	**0**		0	0		**51%**	**70**	**15**	**21%**	
	FAIM IDA's & Down Payment Asst.- Comm. Action	CDBG	Households	13	1	$ 66,654		7												DH-1
	FAIM IDA's & Down Payment Asst.- Comm. Action	CDBG	Households				12	7	$ 60,000											
	FAIM IDA's & Down Payment Asst.- Comm. Action	CDBG	Households							11	0	$ 55,000								
14A	**Single Unit Residential Rehab.**		**Housing Units**	**40**	**18**		**9**	**38**		**13**	**75**		**4**	**0**		**19%**	**350**	**131**	**37%**	
	Duluth Property Rehab. Program - HRA	CDBG	Housing Units	40	7	$ 250,000		24			20									DH-2
	Duluth Property Rehab. Program - HRA	HOME	Housing Units				9	0	$ 180,000		11									DH-2
	Duluth Property Rehab. Program - HRA	HOME	Housing Units							13	0	$ 316,839								
	Duluth Property Rehab. Program - HRA	HOME	Housing Units										4		$ 79,619					
	Duluth Lateral Lines RLF - HRA	CDBG	Housing Units		11			14			44									
14B	**Multi-Unit Residential Rehab.**		**Housing Units**	**76**	**0**		**60**	**41**		**60**	**80**		**30**	**0**		**90%**	**250**	**121**	**48%**	
	Duluth Property Rehab. Program - HRA	CDBG	Housing Units	55	0	$ 342,500		41			36									DH-2
	Duluth Property Rehab. Program - HRA	CDBG	Housing Units				60	0	$219,000		12									
	Upper Transitional Rehab - Center City Housing	HOME	Housing Units	12		$ 255,868					12									DH-2
	Lower Transitional Rehab - Center City Housing	HOME	Housing Units	9		$ 99,240					9									DH-2
	Gimaajii Mino Bimaadiziyaan - AICHO	HOME	Housing Units								11									
	Duluth Property Rehab. Program - HRA	CDBG	Housing Units							60	0	$ 225,000	30		$ 188,741					DH-2
14F	**Energy Efficiency Improvements**		**Housing Units**	**147**	**62**		**87**	**85**		**44**	**51**		**72**			**64%**	**550**	**198**	**36%**	
	Duluth Weatherization Program - AEOA	CDBG	Housing Units	55	62	$ 208,376	30	36	$ 180,000	44	36	$ 171,320								DH-2
	Duluth Energy Efficiency Program - Common Ground	CDBG	Housing Units	92	0	$ 187,200		49												DH-2
	Duluth Energy Efficiency Program - Equilibrium 3	CDBG	Housing Units				57	0	$ 116,500		15									
	Coordinated Duluth Weatherization Prog- AEOA/ECO	CDBG	Housing Units										72		$ 180,407					DH-2
14G	**Acquisition for Rehabilitation**		**Housing Units**	**11**	**0**		**40**	**6**		**5**	**10**					**51%**	**110**	**16**	**15%**	
	Rehabilitation & Resale - One Roof	HOME	Housing Units	11	0	$ 450,000		6			7									DH-2
	Multi-Family Development - One Roof	CDBG	Housing Units				32		$ 200,000		22 Acquired									DH-2
	Rehabilitation & Resale - One Roof	HOME	Housing Units				8	0	$ 327,467		3									
	Rehabilitaion & Resale - One Roof	CDBG	Housing Units							5	0	$ 200,000								
14H	**Rehabilitation Administration**		**Organization**	**1**	**1**		**1**	**1**		**1**	**1**		1	**0**		**80%**	**5**	**3**	**60%**	
	Duluth Property Rehab. Program - HRA	CDBG	Organization	1	1	$ 461,000	1	1	$ 436,253	1	1	$ 325,659								DH-2
	Housing Service Connection - HRA/One Roof Cmty	CDBG											1		$ 325,659					
21I	**CHDO Pre-development**		**Organization**	**2**	**2**		**2**	**2**		**2**	**2**		**1**			**70%**	**10**	**6**	**60%**	
	Predevelopment - One Roof	HOME	Organization	1	1	$ 22,000	1	1	$ 17,999	1	1	$ 12,890								DH-2
	Predevelopment - Center City Housing	HOME	Organization	1	1	$ 15,000	1	1	$ 17,999	1	1	$ 12,890	1		$ 13,000					DH-2
	Total of Housing Objective					**$ 2,394,838**			**$ 1,859,718**			**$ 1,444,598**			**$ 1,162,426**					

IDIS Code	Economic Development Objective Priority Need	Funding Source	Performance Indicator	2010 Goal	2010 Actual	2010 Source Amount	2011 Goal	2011 Actual	2011 Source Amount	2012 Goal	2012 Actual	2012 Source Amount	2013 Goal	2013 Actual	2013 Source Amount	Percent of 5yr Goal	5 Year Goal	5 Year Actual	% Achieved of 5 Yr actual	Outcome/ Objective
18A	**ED Direct Financial Assistance**		**Jobs**	**40**	**41**		**57**	**54**		**35**	**29**		**33**			**83%**	**200**	**124**	**62%**	
	SOAR Duluth At Work - Project SOAR	CDBG	Jobs	20	20	$ 160,000	20	22	$ 160,000	14	11	$ 112,000	15		$ 120,000					EO-1
	Employment & Training - CHUMWorks	CDBG	Jobs	15	19	$ 112,500	15	17	$ 120,000	9	9	$ 72,000	9		$ 72,000					EO-1
	NYS JET (Jobs, Education & Training) - NYS	CDBG	Jobs	5	2	$ 40,000	5	6	$ 40,000	2	3	$ 16,000								EO-1
	Futures Program - Life House	CDBG	Jobs				6	6	$ 48,000	3	3	$ 24,000	3		$ 24,000					EO-1
	Circles of Support - Community Action Duluth	CDBG	Jobs				11	3	$ 90,500	7	3	$ 56,000	6		$ 48,000					EO-1
18B	**Economic Development Technical Assistance**		**Businesses**	**6**	**10**		**8**	**9**		**8**	**8**		**8**			**75%**	**40**	**27**	**68%**	
	Growing Neighborhood Businesses- NE Entrepreneur	CDBG	Businesses	6	10	$ 18,207	8	9	$ 66,500	8	8	$ 64,000	8		$ 64,000					EO-1
	Total of Economic Development Objective					**$ 330,707**			**$ 525,000**			**$ 344,000**			**$ 328,000**					

IDIS Code	Public Facilities Objective Priority Need	Funding Source	Performance Indicator	2010 Goal	2010 Actual	2010 Source Amount	2011 Goal	2011 Actual	2011 Source Amount	2012 Goal	2012 Actual	2012 Source Amount	2013 Goal	2013 Actual	2013 Source Amount	Percent of 5yr Goal	5 Year Goal	5 Year Actual	% Achieved of 5 Yr actual	Outcome/ Objective
03C	**Homeless Facilities**		**Facilities**	**0**	**0**		**0**	**0**		**0**	**0**		**2**			**200%**	**1**	**0**	**0%**	
	Hillside Apartments Public Facility	CDBG	Facilities										1		$ 225,000					SL-3
	LIFELINE Building	CDBG	Facilities										1		$ 142,000					SL-3
03D	**Youth Centers**		**Facilities**	**0**	**0**		**0**	**0**		**1**	**0**									
	Lincoln Park School for Boys & Girls Club									1	0	$ 50,000								SL-3
03E	**Neighborhood Facilities**		**Facilities**	**2**	**0**		**0**	**2**		**1**	**0**					**50%**	**6**	**2**	**33%**	
	Memorial Park Community Center	CDBG	Facilities	1	0	$ 250,000		1												SL-3
	Damiano Accessibilty Project	CDBG	Facilities	1	0	$ 279,450		1												SL-3
	Damiano Soup Kitchen Renovations	CDBG	Facilities							1	0	$ 313,790								SL-3
03K	**Street Improvements**		**Households**	**0**	**0**		**20**	**7**		**0**	**3**					**10%**	**200**	**10**	**5%**	
	Street Assessment Assistance	CDBG	Households				20	7	$ 84,000	0	3									SL-2
03L	**Sidewalks**		**Facilities**	**22**	**0**		**20**	**10**		**0**	**0**					**38%**	**110**	**10**	**9%**	
	Curb Ramp Accessibility & Sidewalk Improvement VII	CDBG	Facilities	22	0	$ 42,020	20	10	$ 61,495											SL-3
	Total of Public Facilities Objective					**$ 571,470**			**$ 145,495**			**$ 363,790**			**$ 367,000**					

IDIS Code	Public Services Objective Priority Need	Funding Source	Performance Indicator	2010 Goal	2010 Actual	2010 Source Amount	2011 Goal	2011 Actual	2011 Source Amount	2012 Goal	2012 Actual	2012 Source Amount	2013 Goal	2013 Actual	2013 Source Amount	Percent of 5yr Goal	5 Year Goal	5 Year Actual	% Achieved of 5 Yr actual	Outcome/ Objective
03T	**Transitional Housing Services**		**People**	**212**	**282**		**245**	**279**		**1321**	**1503**		**2566**			**483%**	**900**	**2064**	**229%**	
	Transitional Housing Program - S. Army/WCDO	CDBG	People	180	203	$ 54,000	180	190	$ 52,272											DH-1
	Permanent Support Housing - CCHC	CDBG	People	32	79	$ 20,000	65	89	$ 19,360	91	68	$ 15,840	72		$ 15,280					DH-1
	Homeless Stabalization Services - CHUM	CDBG	People							900	1090	$ 30,055	900		$ 27,950					DH-1
	Oshki Transitional Housing Services - AICHO	CDBG	People							30	29	$ 4,290	40		$ 3,150					DH-1
	Transitional Housing Services - CCHC	CDBG	People							120	107	$ 19,394	91		$ 18,810					DH-1
	Transitional Housing Services - MACV	CDBG	People							80	117	$ 15,000	80		$ 15,000					DH-1
	Family Transitional Housing Services - Salvation Army	CDBG	People							100	92	$ 17,616	100		$ 16,730					DH-1
	Coordinated In-take Process	CDBG	People										1283		$ 12,085					DH-1
O5	**Essential Services**		**People**	**9100**	**16910**		**9100**	**14995**		**14409**	**14660**		**15320**			**111%**	**43000**	**46565**	**108%**	
	Duluth Hunger Project - CHUM	CDBG	People	8000	13923	$ 75,000	8000	13324	$ 72,600	12000	12852	$ 64,703	12000		$ 65,550					SL-1
	Clothes that Work - Damiano Center	CDBG	People	1100	2987	$ 20,000	1100	1671	$ 19,360	1100	1808	$ 17,617	1200		$ 16,500					SL-1
	Feeding Kids thru Youth Programs - YMCA	CDBG	People							1309	1122	$ 21,170	2120		$ 20,810					SL-1
05D	**Youth Services**		**People**	**800**	**1638**		**950**	**1357**		**0**	**0**					**44%**	**4000**	**2995**	**75%**	
	Youth Development Collaborative - YMCA	CDBG	People	800	1638	$ 87,213	950	1357	$ 84,422											SL-1
05E	**Transportation Services**		**People**	**0**	**0**		**0**	**0**		**0**	**0**					**0%**	**100**	**0**	**0%**	
																				EO-2
05G	**Services for Battered/Abused Spouses**		**People**	**500**	**686**		**550**	**561**		**500**	**569**		**500**			**103%**	**2000**	**1816**	**91%**	
	Battered Women's Shelter Programs	CDBG	People	500	686	$ 32,000	550	561	$ 30,976	500	569	$ 17,617	500		$ 17,100					DH-1
05I	**Crime Awareness**		**People**	**0**	0		**0**	0		**0**	0					**0%**	**20000**	**0**	**0%**	
05K	**Tenant/Landlord Counseling**		**People**	**208**	**0**		**0**	**0**		**0**	**0**					**17%**	**1250**	**0**	**0%**	
	Housing Access Center - Damiano	CDBG	People	208	0	$ 34,000														DH-1
05M	**Health Services**		**People**	**2700**	**7480**		**2700**	**4467**		**6300**	**5105**		**6300**			**150%**	**12000**	**17052**	**142%**	
	Primary Health Care for Low-Income People	CDBG	People	2700	7480	$ 77,000	2700	4467	$ 74,536	6300	5105	$ 66,480	6300		$ 62,890					SL-1
05N	**Abused and Neglected Youth**		**People**	**600**	**649**		**600**	**679**		**520**	**631**		**600**			**64%**	**3600**	**1959**	**54%**	
	LIFELINE Expressway of Youth Services	CDBG	People	600	649	$ 35,000	600	679	$ 33,880	520	631	$ 30,943	600		$ 28,870					SL-1
05Q	**Subsistance Payments**		**People**	**165**	**165**		**165**	**265**		**0**	**0**					**38%**	**875**	**430**	**49%**	
	Emergency Heating Assistance - Salvation Army	CDBG	People	165	165	$ 25,000	165	265	$ 24,200											DH-1
	Total for Public Services Objective					**$ 459,213**			**$ 411,606**			**$ 320,725**			**$ 320,725**					

IDIS Code	Homeless Objective Priority Need	Funding Source	Performance Indicator	2010 Goal	2010 Actual	2010 Source Amount	2011 Goal	2011 Actual	2011 Source Amount	2012 Goal	2012 Actual	2012 Source Amount	2013 Goal	2013 Actual	2013 Source Amount	Percent of 5yr Goal	5 Year Goal	5 Year Actual	% Achieved of 5 Yr actual	Outcome/ Objective
03T	**Transitional Housing Services**		**People**	**1355**	**1206**		**1355**	**1586**		**1200**	**1429**		**1321**			**76%**	**6900**	**4221**	**61%**	
	CHUM Stabilization Services for Homeless	ESGP	People	1100	892	$ 37,000	1100	1327	$ 37,000	900	1090	$ 31,124	900		$ 31,744					DH-1
	MACV-Duluth	ESGP	People	75	111	$ 19,000	75	69	$ 19,000	80	117	$ 4,540	80		$ 4,608					DH-1
	Transitional Housing Program - Salvation Army/WCDO	ESGP	People	180	203	$ 41,000	180	190	$ 41,000											DH-1
	Family Transitional Housing Operations - Salvation Arm	ESGP	People							100	92	$ 26,606	100		$ 27,136					DH-1
	Transitional Housing Operations - Center City Hsg	ESGP	People							120	107	$ 30,622	91		$ 31,232					DH-1
	Youth Transitional Housing Opns - Life House	ESGP	People							30	23	$ 7,530	20		$ 7,680					DH-1
	Shelter and Transitional Housing- AICHO	ESGP	People										130		$ 10,752					DH-1
	Rapid Rehousing/Homeless Prevention Assistance	HESG	People										50		$ 64,346					
05G	**Battered & Abused Spouses Services**		**People**	**500**	**686**		**550**	**561**		**500**	**569**		**500**			**68%**	**3000**	**1816**	**61%**	
	Battered Women's Shelter Programs	ESGP	People	500	686	$ 23,000	550	561	$ 23,000	500	569	$ 19,578	500		$ 19,968					DH-1
	Total of Homeless Objective					**$ 120,000**			**$ 120,000**			**$ 120,000**			**$ 197,466**					

	Availability/ Accessbility	Affordability	Sustainability
Outcome/Objectives			
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

The Community Development Block Grant (CDBG) Program

The CDBG program is a significant community development resource for Duluth, bringing approximately $2.3 million annually to the City. The U.S. Department of Housing and Urban Development (HUD) manages this federal program. The principal objective of the CDBG program is providing assistance to persons and households with low or moderate incomes. At least 70% of the CDBG funds must be allocated to activities that assist persons with low or moderate incomes, and during 2012 the City of Duluth utilized 100% of the CDBG resources for that purpose.

While federal regulations govern many aspects of the program, communities have significant latitude in determining local priorities for their CDBG programs. Each community completes a five-year Consolidated Plan that outlines its local goals and priorities to be accomplished with the assistance of CDBG funds and other partnerships. Each community invests its resources through its Annual Action Plans, which enable the City to realize the goals that were set in the application and the Consolidated Plan.

The City of Duluth is a grantee for the CDBG program, according to a formula based on Duluth's population, age of housing, percentage of persons living in poverty and other socio-economic factors, which is updated when new census data is available. Through Duluth's citizen participation process, the City administration drafts the City's Consolidated Plan for Housing and Community Development, outlining community needs and priorities for CDBG fund expenditure. Each year, the Duluth City Council receives a recommendation from the Community Development Committee (CD Committee) on priorities for CDBG funding. The City Council then determines community development policy and corresponding fund allocation. The Duluth Mayor has final review and approval authority of the Consolidated Plan.

Eligible applicants for CDBG funding include for-profit institutions, nonprofit organizations, public agencies and neighborhood districts. CDBG assistance may not be used for direct individual assistance (for example, a grant to a family for its transportation expenses) or for political or religious purposes.

All CDBG funding allocations must meet one of three national objectives:

- Benefiting low- and moderate-income persons. "Moderate income" is 80% of the area median income; Low income" is 50% of the area median income; "Very-low income" is 30% of the area median income. The 2012 Duluth median income is $62,300.

- Prevention or elimination of slum or blight conditions.

•Meeting a particularly urgent community development need (such as a natural disaster).

CDBG Program Areas

The CDBG program allows a community to implement programs and activities in four major categories: Affordable Housing, Economic Development, Public Facilities and Public Services. Each of the program areas allows the City to achieve locally designated community development goals. Each of the following program areas will provide a more detailed description of: 1) an assessment of the Five Year goals and the accomplishments this year; 2) what was accomplished from the Consolidated Plan objectives; 3) Activities to meet underserved needs.

Economic Development

In the Consolidated Plan for Housing and Community Development FY 2010-2014, the Economic Development category includes two economic development objectives as high priority needs and three objectives as medium priority needs. The City's FY 2012 Action Plan funded six economic development projects. The goal for five of those activities was to create jobs for low-moderate income (LMI) individuals (Duluth At Work), while the other was to provide technical assistance to small business owners.

The category of economic development may in its broadest sense include any and all efforts aimed at sustaining or increasing business activity within a community. However, the use of CDBG funds in the program category of economic development is restricted to what HUD regulations label "special economic development activities."
This category includes:

1. Commercial and industrial improvements i.e., acquisition, construction, rehabilitation or demolition.

2. Financial and technical assistance supporting the development of micro-enterprises, job creation, or job retention that benefit low-moderate income (LMI) persons.

3. Workforce development programs to provide LMI persons with the skills to qualify for jobs created by CDBG-assisted economic development activities or lead to job placement.

The Duluth At Work Initiative focuses primarily on assistance to micro-enterprises and job creation efforts that benefit LMI persons.

Table 3A illustrates how the 2012 economic development funding was allocated, what accomplishments were attained, and what progress has been made toward meeting the goals identified in the five-year Consolidated Plan.

Five-Year Goal Assessment

The economic development performance goals identified in the five-year Consolidated Plan are to create 200 job opportunities for LMI residents and assist 40 micro-enterprises. In 2012, the Community Development Committee allocated $280,000 to create job opportunities for LMI residents over three years and $64,000 to assist micro-enterprises over two years, for a total of $344,000 toward economic development programs.

This brings the total amount of CDBG funds that have been allocated to economic development projects to meet the five-year Consolidated Plan's Economic Development priority needs to $1,199,707.

This is the third year of the five year plan. When pairing the 95 jobs that were created in the first two years of the Consolidated Plan (2010 and 2011)and the 29 jobs created in 2012, approximately 62% of the goal of creating 200 jobs over the five-year term covered by the Consolidated Plan has been achieved through three years. However, each Duluth At Work program is a three-year contract, meaning money allocated to the Duluth At Work initiative projects in 2010, 2011, and 2012 will still be used to gain more jobs or training through the completion of those three-year projects. Also, Duluth's Consolidated Plan Goal to serve 40 micro-enterprises in five years, is also progressing at a good rate. Through the first two years of the Consolidated Plan, 19 businesses were assisted, with an additional eight more businesses assisted in 2012 for a total of 27 (68%) of the five-year goal.

Consolidated Plan Objectives

In 2012, six projects were awarded a total of $344,000 in CDBG funds to assist the City in meeting the economic development goals and objectives outlined in the Consolidated and Action Plans.

Objective 22 - Invest in skill training of Duluth At Work participants to fill jobs for local businesses.

SOAR Career Solutions was funded under the Duluth At Work program to assist people with getting training and securing employment and then increasing their income by 25% over three years. Their goal was to serve 14 individuals and in FY 2012 they helped 11 people secure employment.

CHUM Employment Services was funded under the Duluth At Work program to assist people with getting training and securing employment and then increasing their income

by 25% over three years. Their goal was to serve nine individuals and in FY 2012 they helped nine people secure employment.

NYS JET (Jobs, Education and Training) was funded under the Duluth At Work program to assist people with getting training and securing employment and then increasing their income by 25% over three years. Their goal was to serve two youth and in FY 2012 they helped three youth secure employment.

Life House Futures Program was funded under the Duluth At Work program to assist people with getting training and securing employment and then increasing their income by 25% over three years. Their goal was to serve three youth and in FY 2012 they helped three youth secure employment.

Community Action Duluth Circles of Support was funded under the Duluth At Work program to assist people with getting training and securing employment and then increasing their income by 25% over three years. Their goal was to serve seven people and in FY 2012 they helped three people secure employment.

Objective 23 - Provide training and technical assistance to businesses to increase assets and create jobs.

Northeast Entrepreneur's Growing Neighborhood Businesses was funded under the Duluth At Work program to assist businesses with technical assistance to expand and hire LMI persons trained in the Duluth At Work programs. Their goal was to serve eight businesses and in FY 2012, eight were assisted.

Duluth's Anti-Poverty Strategy

According to the Anti-Poverty Strategy, the principal overarching goal of CDBG economic development funds is to reduce the number of Duluth's families and individuals currently living in poverty. Historically, the City has addressed this objective by investing CDBG funds in our community development partners' programs that create living-wage employment and/or provide LMI persons with workforce readiness skills.

These initiatives have been designed to reduce the number of Duluth households experiencing economic hardship. Job training, education opportunities, and the creation of permanent jobs to be filled by persons who are LMI at the time of hire represent some of the long-term efforts of the City of Duluth to provide benefits for the community's financially-disadvantaged households.

In 1998, the City of Duluth adopted a policy which exceeds the minimum HUD requirements governing the use of CDBG funds for economic development and continues to adhere to that policy. Although CDBG guidelines only require that the majority of jobs created through the use of CDBG funds be offered to LMI persons at

the time of hire, Duluth's CDBG economic development policy stipulates that such jobs must be filled by, not simply offered to, LMI qualified persons at the time of hire.

The following policies form the basis of the funding evaluation process that will be utilized for determining how the annual investment of Community Development resources will implement the goal of reducing the number of Duluth's families and individuals currently living in poverty:

> Policy #1: Provide occupational training programs coupled with career development and job placement in partnership with the City's Workforce Development Division to enable people to obtain employment.
>
> Policy #2: Assist families with removing barriers to obtaining employment through long term or sustainable solutions that reduce the cost of essentials or burdens to household incomes (e.g., child care, health care, transportation).

Goals and policies for reducing the number of families in poverty, a new approach - *Duluth At Work.*

Duluth's 2010-2014 Consolidated Plan articulated the overarching goal of the Anti-Poverty Strategy: to reduce the number of Duluth's families and individuals currently living in poverty. One essential method for reducing poverty for all of these groups is increasing household income.

In order to meet the objective of increasing household income for those persons living in poverty, the City of Duluth has forged partnerships between private businesses, employers and nonprofit groups to develop a new approach to workforce development and poverty reduction.

This approach, implemented in FY 2008, was called "Duluth At Work". The Duluth At Work program is a holistic approach addressing the many challenges people in poverty face as they work toward becoming economically self-sufficient.

Duluth At Work is based on the Economic Opportunity Initiative (EOI) model from the City of Portland, Oregon, that was funded with various funding sources which included CDBG and the Northwest Area Foundation, and utilized a series of well researched best practices. The research used to develop the EOI also demonstrated there is no one-size-fits-all approach to assisting low-income people in attaining higher wage jobs and small businesses in securing financial stability and long-term success.

Through the implementation of this set of best practices, the Duluth At Work program is creating a system designed to remove barriers that people commonly experience when programs and services are provided in isolation from one another. This model allows

for the tailoring of program elements to support program participants' strengths and is also designed to address individual and common needs.

These "Best Practices for Poverty Reduction" are based upon the Portland EOI model and include the following:

1. Serve a relatively small number of participants, so that the program can build on their individual strengths and be tailored to their individual and common needs.

2. Projects should serve groups with a common business/career track or similarity in ethnicity, housing or personal challenges or situations. Structured opportunities for peer support should be incorporated into all projects.

3. Offer comprehensive support services to remove personal barriers to success such as transportation, limited English, child care, housing status, lack of financial education and problem work behaviors. This requires some supported referrals and purchase of goods and services.

4. Emphasize development of strong long-term mentoring/coaching relationships between project staff and participants.

5. Involve employers early in program and curriculum design and by obtaining their commitment to employ graduates of workforce programs. Use active, workplace-based training approaches when possible.

6. Use individualized, comprehensive business planning and assessment with hands-on/ on-site business coaching in addition to structured business education and training activities.

The performance measurement for projects funded through the Duluth At Work initiative is employment training that leads to job placement and an increase in the individual's income of 25% from the time they enter the program through placement and after three years, or assistance to small businesses that leads to overall business growth of 25% in three years that may have an ancillary benefit of job creation.

Activities to Meet Underserved Needs

Because persons with multiple barriers lacking self-sufficient employment constitute a disproportionate number of our community's low-income households, all of the CDBG funded economic development programs focus on traditionally under-served/hard-to-employ populations. A primary focus of the Duluth At Work program is to assist persons with barriers to employment, primarily working through the Duluth Workforce

Center, to assist with gaining employment and then increasing their incomes by 25% over a three-year period.

The outcome of these efforts is reported to the CD staff on a quarterly and annual basis. The Duluth Human Rights Office, Human Rights Commission and Duluth American Indian Commission are efforts by the City to address discrimination in all forms, including those factors creating employment discrimination.

In 2012, CDBG funds were allocated to the Duluth At Work program, which is geared to persons with multiple barriers to employment. These barriers include: lack of training, poor work history, child care, transportation, etc. Many of the participants have an income at or well below 50% of the median income and a large percentage of them are on MFIP (Minnesota Family Investment Program) or Temporary Assistance to Needy Families (TANF) rolls or are homeless. So, the Duluth At Work initiative is really assisting persons within the community who are the under-served and hard-to-employ populations.

In addition to the required demographic reporting on their projects, all CDBG funded projects are required to track reasonable accommodations requested by persons with disabilities. This information is intended to ensure that all sub-grantees are aware of their obligations to provide reasonable accommodations for access to their programs.

Public Facility Improvements

The CDBG Target Areas are identified by Census Tracts and Block Groups that have a majority of income-eligible residents. Duluth has seven CDBG Target Areas that span several neighborhoods within the city. Grass-roots citizen groups in each of the CDBG Target Areas developed multi-year community improvement strategic plans in 2012. These "At Home In Duluth" plans and the additional input gathered at Community Development Neighborhood Forums, and at CD Committee Public Hearings, both held as part of the City's public participation efforts, were used to help decide which public facility improvement projects were to be ranked high, medium and low priorities. Information gathered at the forums and the public hearings was also considered during the CD Committee's deliberations regarding the selection of individual Public Facility projects to be funded.

The City's 2010 – 2014 Consolidated Plan for Housing and Community Development listed four public facility activities as "high" priority and ten as "medium" priority.

Five-Year Goal Assessment

The 2010-2014 Consolidated Plan included the following goals as public facility needs to be accomplished by 2014: one homeless facility, six neighborhood facilities, 200 households for street improvements, and 110 sidewalk facilities.

Three neighborhood facilities were completed by March 31, 2013. The Damiano Center's elevator was completed, the Memorial Park Community Center was completed, and the American Indian Center, which was awarded FY 2007 CDBG Public Facility for an elevator, is now completed.

Two additional neighborhood facilities received CDBG funding during the 2012 Program Year. The Damiano Center received Public Facility funds to improve their soup kitchen and dining facilities where they provide daily hot meals to low-income and homeless individuals and families. During the 2012 program year, the project completed the environmental review, the architect completed developed cost feasibility and the site plan, the project advertised for bids and a contractor was selected. The project is approximately 20% completed. The other project that received funding in 2012 was the Lincoln Park School Redevelopment project that will result in the reuse of a neighborhood school building that will house youth services provided by the Boys & Girls Club. The developer is working to prepare Low Income Housing tax credit applications and establish a Financial Opportunity Center within the building also. The project is expected to be completed in 2013.

Ten low-moderate income homeowners received assistance for street improvements, three of these homeowners received assistance in FY 2012 with the completion of the Anderson Road project. Sidewalk upgrades completed in 2011 include one block of Superior Street between 19th Avenue West and 20th Avenue West with ten handicap accessible ramps.

The City will continue examining neighborhood and public facility improvement needs and base funding decisions on the greatest need, funding those projects that benefit our Target Neighborhoods.

Consolidated Plan Objectives

There are three Consolidated Plan Objectives that fall under Public Facilities.

Objective 9 - Assist LMI Homeowners with assessments for street improvements.
Our goal for 2010-2014 is to assist 200 homeowners with the payment of street assessments for street improvements. In 2011, seven homeowners were assisted and in 2012, three homeowners were assisted.

Objective 10 - Improve sidewalk surfaces to be accessible with mid-block and corner pedestrian ramps.

The 2010-2014 Consolidated Plan has a goal of 110 facility improvements to sidewalks. In 2011, the City improved one block of sidewalks which included ten ramps.

Objective 12 - Provide improvements to Neighborhood facilities for accessibility and delivery of vital services.

The 2010-2014 Consolidated Plan has a goal of six neighborhood facilities to be improved. At the end of Fiscal Year 2012, three neighborhood facilities were completed, and two projects "Damiano Soup Kitchen Renovations" and "Lincoln Park School For Boys N Girls Club" were funded in 2012 but are not complete.

Activities to Meet Underserved Needs

The Damiano Center will improve and expand its operations of the Soup Kitchen through the renovations, and will be able to expand services to homeless and LMI individuals.

Public Services

In the 2010-2014 Consolidated Plan, the City identifies a number of public services as high priorities. In 2012, the City allocated $320,725, approximately a little under the 15% of its total CDBG allocation, the maximum amount allowed by HUD for public service programming. The public service funding was used to provide variety services, such as food, shelter, clothing, health care, and transitional housing that benefited LMI individuals and families.

The Table 3A illustrates how the 2012 CDBG Public Service funding was allocated, what accomplishments were attained and progress toward meeting the five-year goals identified in the Consolidated Plan.

Five-Year Goal Assessment

The performance goal identified in the five-year Consolidated Plan is to provide public services to 86,850 people between 2010 and 2014. In the first year (2010) of this Consolidated Plan, 27,810 people received services, which is 32% of the total five-year goal. In the second year (2011), 22,583 people received services, which is 26% of the total five year goal. In the third year (2012), 22,468 people received services, which is 26% of the total five year goal.

2012 Action Plan Goal: The performance goal identified in the 2012 Action Plan is to provide public services to 23,050 people. The public service projects served a total of 22,468 persons.

Consolidated Plan Objectives

In 2012, twelve projects were awarded a total of $320,725 in CDBG funds to assist the City in meeting the public service goals and objectives outlined in the Consolidated and Action Plans.

Most notably, the majority of funds (32% or $102,195) of the public service dollars went toward programs that offer transitional housing and other services for the homeless. Another 32% was spent on essential services such as food and clothing; and 20% went toward health services for low-income people who are uninsured or under-insured, and the remaining 15% went to shelters for battered spouses and abuse youth.

Objective 13 - Support programs that fulfill basic needs for persons who are homeless or in poverty - food, clothing, and shelter.

The four collaborative agencies comprising the Duluth Hunger Project provided on-site meals and emergency food packages to 12,852 people, exceeding their goal of 12,000 people.

The Damiano Center's Clothes That Work program provided work appropriate clothing to 1,808 low-income people seeking new employment or to help others in their current employment. Their goal was to serve 1,100 people.

The CHUM shelter provided shelter to 1090 people, exceeding their goal of 900 people.

Objective 14 - Provide transitional housing and services for persons who are homeless to become stabilized.

There were four transitional housing program that provided services to 345 people; their collective goal was to serve 330 people.

Center City Housing provided permanent supportive housing to 68 people; their goal was to serve 91 people.

Objective 15 - Provide shelter and services for battered and abused spouses to leave the violence and become stabilized.

Safe Haven Shelter for Battered Women and the American Indian Community Housing Organization (AICHO) provided temporary emergency shelter to 569 women and their children during the year, surpassing their goal of 500.

Objective 18 - Support the provision of primary health care and dental care for uninsured and under-insured in the community.

The Lake Superior Community Health Center served 5,105 people in 2012, which was less than their goal of 6,300 persons. Although they met 81% of their goal, they have been steadily increasing in the number of people being served from the 2011 goal of 4,467. They expect to accomplish the 6,300 goal in the 2013 program year.

Objective 19 - Provide tenant/landlord mediation services to avoid or prevent evictions.

The program to address this objective was shut down; therefore, the funds were reprogrammed.

Objective 21 - Support programs that help abused and neglected youth who are at risk of being homeless to become stabilized.

Life House Youth Center provided support services and referral to 631 teens to help stabilize their lives, exceeding their 2012 goal of 520 people.

Activities to Meet Underserved Needs

In 2012, the City continued to fund numerous public service agencies that are working with people with "worst-case" needs. The City, in partnership with St. Louis County, completed a Ten-Year Plan to End Homelessness named Heading Home St. Louis County. Many of the agencies supported by the City through the CDBG and ESG Programs participate in efforts to implement the Plan, as do agencies throughout the County. The Plan calls for an increase in the development and support of many new and converted rental properties to permanent supportive housing, additional Shelter + Care units, greater focus on discharge planning and a greater focus on long-term support networks.

Lastly, all agencies funded through the CDBG, HOME and ESGP Programs are required to track all reasonable accommodations requested by persons with disabilities. While required, this information is intended to ensure that all sub-grantees are aware of their obligations to grant reasonable accommodations when economically feasible. Agencies maintain a log of persons requesting reasonable accommodations, which includes the nature of the request and how the request was accommodated. Agencies submit these logs to the Community Development office at the end of the program year.

Housing

Five-Year Goal Assessment

On August 13, 2012, the City Council approved a substantial amendment to the 2012 Action Plan related to two housing program awards. The Congressional requirements imposed on the 2012 HOME Program made the originally intended use of the City's

HOME allocation problematic. One Roof was going to use HOME funds in their acquisition, rehab and resale program, but the severely restricted timelines made it very difficult for the agency to meet those deadlines. One Roof, Duluth HRA and City staff agreed that the best use of the 2012 HOME Program funds would be homeowner rehab. The substantial amendment changed the HRA's homeowner rehab project funding from CDBG to the HOME Program, and awarded CDBG funds to One Roof for their project. The goal for acquisition, rehab and resale homes was reduced from 8 to 5, and the goal for the homeowner rehab units increased from 8 to 15. The new amount of the funding awards and unit goals are reflected in the housing section of Table 3A.

On June 20, 2012, northeastern Minnesota was hit by a storm that dumped 10 inches of rain in 24 hours, causing major infrastructure damage, and flooding that impacted over 800 Duluth homes. A Presidential Disaster Declaration followed. Staff from the City, HRA and non-profit housing agencies immediately began working with flood victims to assess damage, apply for disaster funding, and complete initial repairs. Previously planned rehab work was delayed, time and resources were stretched to meet disaster related needs, and contractors worked overtime. A year later, long term recovery is underway, but at a slower pace. Production on the ongoing programs for homeowner and rental rehab, and rehab for resale were significantly impacted in the second half of 2012, but is picking up again in the 2013 construction season.

Tenant-Based Rental Assistance (TBRA) has reached 96% of the five year goal. The downturn in the economy has resulted in a major increase in the number of homeless families and individuals needing housing, and rental vouchers have become a high priority for HOME funding. However, because both the 2010 and 2011 TBRA Contracts could not be completed in the IDIS system until the 2012 program year, these HOME units are being counted as an accomplishment in this annual report.

As a cold climate city, improving energy efficiency is a priority for Duluth's housing stock. An established weatherization program administered by Arrowhead Economic Opportunity Agency (AEOA) missed their production goal for 2012, but did weatherize 36 homes. This past year, Ecolibrium3 (Eco3) completed energy improvements for 15 income eligible households. After the flood that occurred in June, 2012, Eco3 focused on assisting homeowners with damage to their homes. They secured $500,000 from the Ordean Foundation to use as "bridge" loans to help low-income homeowners replace furnaces and water heaters with energy efficient models. As federal and state disaster funds become available, the loans are being "repaid" by investing in general energy improvements in the home funded under the DEEP program. This has resulted in delaying the use of CDBG funding until the general energy improvements can be completed. Combining both programs' production, we are at 36% of the five year goal.

Single family residential rehab projects consisted of HRA Homeowner Rehabs and repair of lateral sewer lines. There were 11 HOME funded rehabs, 20 homes that meet the CDBG eligibility rehabbed with other funds, and 44 sewer line projects utilizing 2008 CDBG funding. Cumulatively, single family rehabs are now at 37% of the five-year goal. During 2012, the "Housing Resource Connection" was formed, a collaboration between the Duluth HRA, One Roof Community Housing, Ecolibrium3, AEOA and the City's Community Development Division. The benefits of this collaboration include a common application available online or at any of the partner agencies; eligibility determination and underwriting by shared staff who tailor financing of improvements based on the needs of the household; inspection services and rehab oversight provided by HRA staff; a single waiting list and prioritize of projects; a shared data base; common rehab standards; and joint applications for funding requests. The rehab standards have been enhanced to require that a rehab projects include all code issues, lead-paint hazards, and significantly increased energy efficiency. The goal is to move to a comprehensive "Healthy Homes" approach. The increased scope of work has meant increased costs per house, and therefore, fewer homes can be rehabbed. The cumulative production is at 37% of the five year goal.

The individual savings account program funded under Direct Homeownership Assistance normally takes participants several years before they save enough for a down payment on a home. In 2012, no homes were purchased; however, fifteen families have bought homes to date, or 21% of the five year goal. As the housing market recovers and financial institutions become more flexible in loan qualifications, and as participants have time to build their savings, the number of homebuyers will increase.

The HRA completed 48 rental units as part of their ongoing Rental Rehab Program. In addition, Center City Housing's Upper and Lower Transitional rehab projects completed, with a total of 21 units of housing for homeless individuals and families. The Gimaajii Mino Bimaadiziyaan project, a major renovation of the old YWCA in downtown Duluth, resulted in 29 units of supportive housing, of which 11 are HOME units and counted towards the five year goal. With these units, 48% of the goal has been accomplished.

One Roof Community Housing (One Roof) completed ten acquisition, rehab and resale units utilizing 2010 and 2011 HOME program funding. After the June 2012 flood, One Roof focused on assisting disaster victims applying for SBA and State of Minnesota "Quick Start" loans. This work continued into 2013, and took precedence over other projects. Now into long term recovery, the amount of disaster related work has decreased, although it continues as homeowners discover damage not apparent at the time of the flood. Table 3 shows 15% of the goal achieved. We anticipate a more "normal" production rate in the next two years of the five year Consolidated Plan. One Roof has another major project underway, the construction of 44 units of supportive housing for homeless families. As part of the site preparation, 22 blighted rental units

were purchased in 2012. They will be demolished, and construction of the Hillside Apartments will begin this summer.

See Table 3A for a breakdown of grant funds spent to achieve housing goals and objectives.

Consolidated Plan Objectives

The Consolidated Plan for FY 2010-2014 includes goals that meet the City's housing needs and assist households in accessing safe, affordable housing. Goals and objectives fall under two categories, rental and owner-occupied housing, and can be found in Table 2C in the Plan, Objectives 1 through 8.

Rental Housing

Objective 1 - Assist families to secure affordable rental housing.

One Roof Community Housing was awarded CDBG and HOME Program funds for acquisition of property and new construction of a supportive housing multi-family development to serve homeless families. During 2012, the development team, a partnership between One Roof and Center City Housing as the co-developers and CHUM as the service provider, worked on making the new construction project, Hillside Apartments, a reality. Their application to Minnesota Housing for 2013 tax credits was successful. The site has been secured, rental tenants and businesses relocated, and preparations for the demolition of the blighted properties is underway. Construction will begin in late summer of this year.

AICHO's Gimaajii Project (IDIS 1512), a historic preservation and housing rehab project which is providing 29 permanent supportive housing units for formerly homeless individuals and families, was completed and units rented in 2012. Of the 29 units, 11 are HOME units. The project received HOME Program funding for the housing portion of the project, and CDBG funding for the public spaces, offices, and native focused community center.

Two buildings that were formerly owned by Women's Community Housing Development, and now part of Center City Housing's portfolio, were rehabbed using HOME funds (IDIS 1714 & 1749). Both buildings served as transitional housing for homeless individuals and families. There are a total of 21 units, all of which were HOME funded, 12 units in the upper building, and 9 units in the lower.

Objective 2 - Improve energy efficiency of multi-family units.

The Duluth HRA's Rental Rehab Program improved energy efficiency by at least 10% in 48 multi-family units that are being counted in this annual report. The DEEP program primarily focuses on homeowner energy improvements. However, a component of their

program is researching the best methods to retrofitting existing, older apartment buildings in Duluth. In the future, their findings will be used to incorporate energy efficiency improvements into rental rehab projects. The two completed rental projects, Gimaajii and Center City's transitional housing, both increased significantly the energy efficiency of these older buildings by more than 10%.

Objective 3 - Provide Tenant Based Rental Assistance (TBRA) to homeless individuals.

The Duluth HRA administers a HOME funded TBRA program, which provides vouchers to homeless individuals and families. In 2011, a number of tenants received HOME funded rental vouchers utilizing the 2010 and 2011 contracts with the HRA, but the contracts could not be completed in IDIS and were not included in last year's annual report. Therefore, those units are now being included in this CAPER. During the 2011 and 2012 program years, a combined 48 tenants received HOME funded rental vouchers.

Objective 4 - Rehab multi-family units to be compliant with Duluth Housing Code.

The HRA Rental Rehab program completed 48 units during the 2012 program year. Center City Housing completed two rental rehab projects utilizing HOME funds, the Lower Transitional Rehab and the Upper Transitional Rehab projects, with a total of 21 units. Likewise, AICHO's Gimaajii Project, which renovated the YWCA building into 29 units of permanent supportive housing, 11 of which are HOME units. Overall, 98 multi-family units were rehabbed and in compliance with housing codes when completed.

Owner Housing

Objective 5 - Assist families to secure affordable homeownership.

Community Action of Duluth administers a CDBG funded Individual Development Account (IDA) program to match the savings of LMI households for purchasing a home. Normally, people save for several years before accumulating enough funds for the down payment and closing costs. In 2012, no homes were purchased, partly due to the tightening of mortgage underwriting by many financial institutions that are requiring increased downpayments. One Roof sold ten totally renovated properties to new homebuyers during the year at an affordable price.

Objective 6 - Improve energy efficiency of single family units.

Two projects, AEOA's Weatherization and Ecolibrium3's Duluth Energy Efficiency Program (DEEP) completed energy efficiency projects during 2012. AEOA completed 36 weatherization projects. The DEEP program completed another 15 CDBG funded projects. The ten rehab for resale homes completed by One Roof, and the 11 HOME funded homeowner rehabs completed by HRA, saw increased energy efficiency by 10%

or more. Combined, 51 homes were made energy efficient using CDBG or HOME dollars in 2012.

Objective 7 - Address vacant, substandard properties that may or may not be suitable for rehab.

The HRA, using local funds provided by the Duluth Economic Development Authority, demolished 8 single family structures, and acquired another 38 units to be demolished in the next program year.

Objective 8 - Rehab single family units to be compliant with Duluth Housing Code.

The Duluth HRA completed a total of 31 rehabs for income eligible homeowners during the year, 20 of which were funded with sources other than CDBG or HOME. HRA administers a grant program to assist homeowners with emergency lateral sewer line repairs. In 2012, 44 households participated in this program. One Roof conducted major renovations on ten homes. This totals 85 units.

Activities to Meet Underserved Needs

Extremely Low, Low and Moderate Income Households Assisted

The five-year goals for extremely low income renters are 183, for low income 114, and moderate income 103. In 2012, there were 100 extremely low income served (54% of the goal), 12 low income (10%), and 13 moderate income (13%). With several rental projects that house formerly homeless families being completed, the number of extremely low income rental households increased significantly. With the downturn in the economy, more emphasis has been placed on housing the increased number of homeless families and individuals.

The five-year goals for extremely low income homeowners are 303, for low income 305, and for moderate income 391. In 2012, 37 extremely low income households were assisted (12% of the goal), 45 low income households (15%), and 54 moderate income households (14%).

Section 215 Households

In 2012, there were six homes bought by income eligible buyers that qualified as Section 215 units. For rental, there were 32 units that qualified as Section 215, for a combined total of 38 units.

Worst Case Housing Needs

The HRA completed five rental rehab projects in 2012 that housed a total of 20 individuals and families with incomes between 0% and 30% of median income. The HOME funded tenant-based rental assistance provided housing rental vouchers for 48 households. These households did not qualify for the HRA's Housing Voucher program

or public housing, and were homeless or at risk of homelessness. Because this program is targeted to "hard to house" families, all of the TBRA vouchers address worst case housing needs.

There were 37 homeowners or homebuyers with incomes between 0% and 30% median, and 45 with incomes between 31% and 50% median that had their homes weatherized or rehabilitated. Homeowners at these income levels are very likely to be cost burdened. The HRA provided emergency repairs to avoid probable condemnation for human habitation for 44 owner-occupied homes.

Accessibility Needs of Persons with Disabilities

Three units in the Gimaajii project were made ADA compliant.

Removing Barriers to Affordable Housing

The following are strategies from the Consolidated Plan to address affordable housing barriers, and the actions taken in 2012.

Strategy: Co-locating permitting and planning services within City Hall to streamline the housing development process by forming a "One Stop Shop."

In 2010, the "One Stop Shop" was formed on the second floor of City Hall. Plans are being made to also co-locate Community Development offices to this floor.

Strategy: Adoption of a new zoning code to implement the Comprehensive Plan for land use, to provide more affordable housing options, for example, mixed-use, that lead to more investment.

The Uniform Development Code has been adopted. Work continues to rezone those areas of the City where the underlying Comprehensive Land Use Plan conflicts with the new zoning.

Strategy: Provide funding to assist in the repair or replacement of lateral sewer and water lines by LMI homeowners.

The Duluth HRA assisted 44 LMI households to repair their lateral sewer lines as required by the Environmental Protection Agency (EPA). Overflows into Lake Superior have been greatly diminished. The assistance for sewer line repair is now part of the general HRA rehab contract, as the original specific contract expired late in the program year.

Strategy: Support selected demolition of blighted properties in LMI neighborhoods. If directly funded through Community Development, demolition requirements will include leaving a "clean" site for redevelopment.

The HRA acquired and demolished eight blighted single family structures, and provided clean sites on buildable lots. The City has formed a "Blight Team" with members from several City departments, the HRA, non-profits, and St. Louis County to coordinate efforts.

Strategy: Provide funding for affordability and value gaps for L/MI homebuyers.

Funds were provided for IDA savings accounts, and for affordability and value gaps for acquisition, rehab and resale homes.

Strategy: Increase per unit rehab funding to address all needed repairs and updates, including code, energy efficiency, major systems, sewer and water lines.

The pilot Healthy Homes project funded by the grant from HUD's Office of Healthy Homes and Lead Hazard Control has provided inspection protocol training held locally for the first time. The result was certification of 11 inspectors, including staff from the Duluth HRA, Ecolibrium3, One Roof and AEOA. Over 50 comprehensive Healthy Home inspections have been conducted in Duluth, which are the starting point to determine the level of rehab necessary to address all negative impacts in a home.

Strategy: Implement new gate keeper approach to housing rehab programs, for better service, coordination of available assistance, and increase efficient operation of housing agencies.

During 2012, the "Housing Resource Connection" was formed, a collaboration between the Duluth HRA, One Roof, Ecolibrium3, AEOA and the City's Community Development Division. The benefits of this collaboration include a common application available online or at any of the partner agencies; eligibility determination and underwriting by shared staff who tailor financing of improvements based on the needs of the household; inspection services and rehab oversight provided by HRA staff; a single waiting list and prioritize of projects; a shared data base; common rehab standards; and joint applications for funding requests.

Strategy: Apply for HUD lead-based paint funds for rehab of rental units, targeted to tenant-based rental assistance and housing voucher programs.

The City of Duluth, in partnership with the Duluth HRA, applied for and secured $1,144,684 in 2010 HUD Lead-Based Paint Hazard Control Grant Program funds, for a three year project. The project began in 2011, with 39 units completed to date. City, HRA and American Lung Association staff submitted a new HUD Lead-Based Paint application in January, 2013, and were recently award $2,418,395 to continue this work for an additional three years.

Strategy: Implement acquisition/rehab/resale programs to address vacant foreclosed properties in L/MI neighborhoods.

One Roof and the HRA used federal NSP1 funding provided through the State of Minnesota to acquire, renovate and sell to income eligible buyers six foreclosed homes. The initial 25 properties were completed in 2011, and no new units were added in 2012. However, the HRA continues to build an NSP revolving loan fund with the payments from their units. Once enough funds have been collected, additional NSP units will be created. One Roof used HOME funds to acquire, rehab and resell ten homes.

Strategy: Conduct a housing market survey to determine the actual median value of homes in Duluth.

The Community Development office once again published the annual Housing Indicator Report, which includes home values and sales statistics for Duluth. In 2012, values decreased again to $148,497, a drop of about 4% from the previous year. The median sales price was up 3.5%, to $144,950. Sales of existing homes were also up. This shows a slow recovery in the single family housing market. If the 201(3)(b) standard of after-rehab value is eliminated, a more in-depth market study will be conducted.

Strategy: Require rehab programs that receive City funding to increase energy efficiency in existing homes by 10%, and require funded new construction to meet Energy Star standards.

All rehab programs met the 10% energy efficiency requirement. No new construction projects were funded in 2012.

Strategy: Provide funding for tenant-based rental assistance to help the "hard-to-house" population secure adequate housing.

Funding for Tenant-Based Rental Assistance remains as a significantly increased amount, in order to serve a higher number of homeless families and individuals.

Strategy: Modify Special Assessment policies to eliminate the "re-instatement" of special assessments on tax forfeit lots that have the potential for redevelopment.

City staff successfully eliminated garbage assessments on tax forfeit lots and homes.

<u>Reduction of Lead Paint Hazards</u>

The HRA Rehab Department notified 1,338 households of the hazards of lead-based paint, and AEOA notified 36 households, One Roof 10, Equilibrium3 15, HRA TBRA notified 48 tenants, for a total of 1,447 households. The HRA tested and cleared 59

housing units during the year, which included CDBG, HOME, State and federal lead hazard demonstration funded rehab projects. The City of Duluth, in partnership with the Duluth HRA, applied for and secured $1,144,684 in 2010 HUD Lead-Based Paint Hazard Control Grant Program funds. A three year grant, 2012 was the second year of the project. A new Lead-Based Paint application was submitted to HUD in January, 2013, and an award of $2,418,395 was recently announced, that will allow the continuation of this work for an additional three years.

Section 108 Report

Section 108 Accomplishments Report

PROJECT DESCRIPTION				CDBG $					ELIGIBLE ACTIVITY	NATIONAL OBJECTIVE		JOBS					HOUSING			LMA	LMC	SBA	SBS
Grantee Name	ST	Project Number	Project Name	108 Loan Amount	EDI AMT	BEDI AMT	Other CDBG $	Total CDBG $ Assistance	HUD Matrix Code for Eligible Activity	HUD N.O. Matrix Code	Indicate if N.O. Has Been Met Y=Yes N=No	FTE Jobs Proposed in 108 Appl.	Total Actual FTE Jobs Created	Number Held by/ Made Available to Low /Mod	Percent Held by/ Made Available to Low /Mod	Presumed Low -Mod Benefit (P) or Rev. Strategy Area (RSA)	Total Housing Units Assisted	Number of Units Occupied by Low / Mod Households	Percent of Units Occupied by Low /Mod Households	Percent Low / Mod in Service Area	Limited Clientele Y=Yes	Slum/ Blight Area Y=Yes	Slum/ Blight Spot Y=Yes
Duluth	MN	B-03-MC-27-0002	Village Place	$7,857,860				$7,857,860	12	LMH	Y						55	39	71%				

The HOME Investment Partnerships Program (HOME)

Assessment of Relationship of HOME funds to Goals and Objectives

The HOME Program provides grants and loans to implement the City of Duluth's affordable housing strategies. Combined with CDBG and local resources, the HOME funds contribute to achieving the goals and objectives of the Consolidated Plan listed in Table 2C, and are included in Priority Needs Summary Table 3A. An analysis of the relationship of the housing activities carried out with the HOME funds expended during the reporting period to the objectives and priorities of the Consolidated Plan and Action Plan is included under "Housing" in the CDBG Program report of the CAPER.

Two Community Housing Development Organizations (CHDO), One Roof Community Housing and Center City Housing, received operating funds that strengthen their organizations and allowed them to explore new housing development opportunities.

During the program year, ten homes were acquired and rehabbed utilizing HOME funds by One Roof that were completed in the IDIS system. There were two additional One Roof units that were completed and sold within the program year (IDIS 1843 and 1880) but can't be completed in IDIS due to problems within the data system. These units will be counted in the 2013 annual report.

The Duluth HRA completed eleven single-family rehabs under their 2011 HOME contract. They also completed CDBG eligible single family units utilizing other funding, that are reported in the "Housing" section of the CAPER.

A HOME-funded project that addresses initiatives outlined in the Duluth/St. Louis County Ten-Year Plan to End Homelessness is the Duluth HRA's Tenant-Based Rental Assistance (TBRA) Program. In 2011, a number of tenants received HOME funded rental vouchers utilizing the 2010 and 2011 contracts with the HRA, but the contracts could not be completed in IDIS and were not included in last year's annual report. Therefore, those units are now being included in this CAPER. During the 2011 and 2012 program years, a combined 48 tenants received HOME funded rental vouchers. The current TBRA contract is still open, 31 tenants are receiving vouchers, and they will be counted in next year's report.

AICHO's Gimaajii Mino Bimaadiziyaan project renovated the former YWCA in downtown Duluth into permanent supportive housing for homeless families; to include a CDBG funded Indian Center providing culturally enriched meeting space and offices for social service organizations. The project included 11 HOME units.

Two other HOME funded rental rehab projects were completed during the program year. Center City Housing renovated two adjacent properties that were formerly owned by Women's Community Development Organization. The two buildings provide transitional housing for homeless families. There are a total of 21 units, all of which were HOME funded, 12 units in the upper building, and 9 units in the lower.

HOME Match Report

A match of $315,000 was documented this year, made up of foundation grants awarded to the Gimaajii project. Excess match to be carried over into next year totaled $2,360,693.78. The Fiscal Year 2012 HOME Match Report form (HUD form 40107-A) is included with this annual report.

HOME MBE and WBE Report

In 2012, there were a total of 81 contracts and sub-contracts related to the HOME funded projects, and the total dollar amount awarded was $6,385,686. Women-owned businesses enterprises (WBE) received 13 contracts, minority-owned businesses (MBE) 8 contracts, and of these, three contracts were both WBE and MBE and are counted in both categories. WBE contracts were 16% of all contracts, for a total of $132,351. The MBE contracts were 10% of all contracts, at $92,860 dollars.

Assessments

Community Development staff monitors rental properties that received HOME funds in the past and are still within the affordability period. The monitoring ensures tenants are income eligible, rents are within program limits, there are no prohibited lease terms, and prospective renters are treated fairly in the selection process. HRA staff conduct on-site physical inspections to ensure properties are safe and well maintained. In 2012, 13 rental properties were monitored, with seven receiving on-site inspections and file reviews. They are:

IDIS #	Project Name	Address	Owner
915	Windwood Townhomes	701 Upham Road	Center City Housing
1463	San Marco Apartments	230 West 3rd Street	Center City Housing
102	Washington Studios	315 North Lake Ave	ArtSpace Projects
1513	Memorial Park	605 Central Ave	Center City Housing
1265	Scattered Sites	18 West 5th Street	Center City Housing
1512	Gimaajii	202 West 2nd Street	AICHO
911-913	Homes on the Hill	9 & 15 West 5th Street	One Roof

Staff visited the above projects and conducted file reviews. Overall, the files were in good order and there were no "findings" or "concerns". The Duluth HRA performed the physical inspections on the above addresses, as they are certified to conduct Housing Quality Standard, Housing Code, and Lead-Based Paint inspections. All of the units passed inspection with two minor issues. The Scattered Sites triplex had peeling paint on the porch, which was addressed. The west entrance sidewalk to Washington Studios is deteriorated. This is the main entrance to the City owned portion of the building. Once the weather allows this summer, the City will be repairing this sidewalk.

City staff also monitored the HRA rehab and TBRA programs, and the One Roof rehab and resale program. A HUD monitoring of the One Roof program in the summer of 2012 found several instances of inadequate documentation and lack of initial inspections on which to base work scopes. The City adopted Rehab Policies that cover all funding housing programs, and staff monitored One Roof for compliance with the new procedures and file documentation. Both One Roof and HRA were found by City staff to be in compliance with HOME Program and other federal regulations.

Assessment of Affirmative Marketing Actions

The homeowner focused programs showed a 9.5% rate of non-white participants, which is similar to past years. The rental focused projects, tenant-based rental assistance and rehab of rental buildings, had participation rates of 24% for Black/African American households; 20% American Indian/Alaska Native; 6% American Indian/Alaska Native and white; and 1% Asian; overall, over half of households served were non-white. In addition, just over 1% of assisted rental households were Hispanic. Looking at the total of HOME funded projects and programs, 43% of households benefiting from HOME assistance were non-white.

The portion of non-white households is significantly higher than in previous years. This is partly due to the completion of the Gimmajii project, which is providing an environment sensitive to the Native American culture with supportive services for homeless families. In summary, it appears affirmative marketing has been successful in reaching out to Duluth's households of color, which make up approximately 10% of the population.

Outreach to Minority and Women Owned Businesses

City agreements with housing agencies that rehab or develop new housing require outreach to minority and women owned businesses. One Roof and the HRA maintain lists of qualified bidders for rehab and construction projects that include MBE and WBE contacts for notification. The bid process allows One Roof and the HRA to contract with MBE and WBE businesses if they are within 10% of the lowest bid.

Emergency Shelter Grant Program

Since 1988, Duluth has annually funded the operation of emergency shelter and transitional housing facilities through HUD's Emergency Shelter Grant Program (ESGP). The HEARTH Act, enacted in 2009, reauthorized and amended the McKinney-Vento Homeless Assistance Act with significant changes to many of its programs, including the ESG Program. Among those changes, the name changed to the Emergency Solutions Grant (ESG) program, and the program focus changed to include a greater focus on prevention and rapid re-housing. In 2012, the city received an initial allocation of funds in the amount of $125,000. The city received a second allocation of HEARTH Act (HESG) funds in the amount of $97,913. The original allocation was used to support the operation of Duluth shelter and transitional housing facilities. Shelters funded through the ESG program in 2012 included the Churches United in Ministry (CHUM) Emergency Shelter which provides congregate shelter and services for homeless individuals and families, Safe Haven Shelter for Battered Women, which provides

emergency shelter and services to single women and women with children who are fleeing domestic violence. Transitional housing projects funded through the ESG Program in 2012 included Minnesota Assistance Council for Veterans (MACV) transitional housing for veterans, The Salvation Army Family Transitional Housing Program and Center City Housing Corporation's (CCHC) transitional housing program for single women and single women with children, and Life House Youth Transitional Housing.

The City received a second allocation of 2012 funding and a second allocation of 2011 funds, from the Emergency Solutions Grant, which was allocated to the Amherst Wilder Foundation for HMIS data administration and reporting for the ESG program and to the Housing and Redevelopment Authority to establish a fund that will provide rent and utility assistance and other direct cash assistance for homeless individuals and families, to be used in conjunction with prevention and rapid re-housing activities being carried out by Duluth's homeless service providers.

ESG Matching Funds

2012 Projects:	**Funding Sources Amount**	
CHUM Shelter	Federal/State & Local/Other $	452,315
Safe Haven Shelter for Battered Women	Federal/State & Local/Other $	939,796
Center City Transitional Housing Program	Federal/State & Local/Other $	383,857
Life House Youth Transitional Housing	Federal/State & Local/Other $	32,037
MACV Veterans Transitional Housing	Federal/State & Local/Other $	436,040
Salvation Army Family Transitional Housing	Federal/State & Local/Other $	242,290
Total Resources		**$2,275,485**

Accomplishments for ESG Projects that also received CDBG funds—all but Life House Youth Transitional Housing—are reported under the Public Services category. Life House provided transitional housing and support services and housing placement assistance to 23 youth, ages 16-23.

Continuum of Care

The City of Duluth has long partnered with St. Louis County (SLC), in producing a business plan to end homelessness, *Heading Home St. Louis County,* A *Ten Year Plan to End Homelessness,* and establishing annual goals and objectives under the *Continuum* of *Care* (CoC) *Plan* for St. Louis County. Both the *Ten Year Plan to End Homelessness* and the *Annual CoC Plan* are incorporated into the City's Consolidated Plan and Annual Action Plans and used in the development of annual and five-year goals and strategies. While the SLC Health and Human Services Department is the lead entity for both the *Ten-Year Plan to End Homelessness* and the Continuum of Care*,* activities associated

with the planning and provision of housing and services for homeless individuals, families and youth are coordinated through a network of homeless service providers, the Affordable Housing Coalition (AHC) in Duluth, the Rural Housing Council (RHC) in Northern St. Louis County, the Homeless Response Committees—the working groups for the Heading Home SLC 10-Year Plan and the Heading Home St. Louis County Leadership Council—the coverning group for the *Ten-Year Plan to End Homelessness.*

The goal of the *Ten-Year Plan to End Homelessness* and the *Continuum* of *Care,* through a countywide perspective and distribution of resources, is to help homeless individuals, families and youth to be rapidly re-housed in the most permanent housing possible, increase their housing stability and the housing security that goes along with stability, and to prevent new occurrences of homelessness. With the understanding that homelessness is not caused merely by lack of shelter, but rather involves underlying, unmet physical, economic and/or social needs, the supportive services provided for the homeless are designed to meet those needs. Support services include housing search and placement assistance and referrals to other community resources such as mental health treatment, drug and alcohol treatment, employment training, family support, life skills training, and providing for basic needs such as food and clothing. The SLC Health and Human Services Department and the City of Duluth Community Development Division are collectively responsible for managing the *Continuum of Care* process (since 1995) and the *Ten-Year Plan to End Homelessness.*

The City of Duluth has a long history of collaborating with St. Louis County (SLC) in the delivery of funding and programming for the homeless. Community Development staff have established a strong partnership with SLC staff and have worked closely with them in developing the Heading Home St. Louis County 10-Year Plan to End Homelessness, establishing a governing body to oversee the 10-Year Plan—the Heading Home SLC Leadership Council, the Continuum of Care (CoC) process, and distribution and oversight of federal and state homeless funding that comes to the City and County, through HUD's CoC and ESG programming and through the state of Minnesota's Family Homeless Prevention and Assistance Program (FHPAP). City and County staff work closely with emergency shelter, transitional housing and other housing and homeless service provider agencies under the SLC CoC Process.

In 2012, City and County collaboration is stronger than ever with focus on the new HEARTH regulations and related activities to develop a coordinated homeless response system that incorporates the prevention, rapid housing and coordinated assessment activities outlined in the new Emergency Solutions Grant regulations and the new Continuum of Care regulations. The current foundation for the SLC Continuum of Care is its Leadership Council—the governing group for the SLC Continuum of Care, and the two working groups—the Affordable Housing Coalition (AHC) in Duluth and the Rural

Housing Coalition (RHC) in Northern St. Louis County that support the Leadership Council. The AHC and RHC are groups comprised of housing and service providers, representatives from schools, businesses, funding agencies and non-profit organizations. The committees work to address housing and service needs for homeless and low-income households in Duluth and Northern St. Louis County. Both the RHC and the AHC have working subcommittees—called Homeless Response Committees, that address homeless issues on a local level, work on activities related to the CoC, ESG, FHPAP funded projects and starting in 2012, Coordinated Assessment.

In 2012, City and County staff worked with the Homeless Response Committees and the Leadership Council to establish protocols and procedures for evaluating and ranking 2012 CoC SuperNOVA applications. Duluth agencies that participated in the collaborative SuperNOFA application and received approximately $170,000 in renewal funding for the 2012 program year include the American Indian Community Housing Organization (AICHO), Center City Housing Corp., Salvation Army, MN Assistance Council for Veterans (MACV), Life House Youth Center, Lutheran Social Services, YWCA Young Mothers program, Human Development Center (HDC) and the Housing and Redevelopment Authority (HRA). All of these agencies except for Lutheran Social Services, YWCA and HDC also received CDBG and/or ESG funding from the City of Duluth in 2012. In addition, three Duluth agencies also received funding under the 2011-2013 bi-annual Minnesota Family Homeless Prevention and Assistance Program (FHPAP). Overall, St. Louis County received $675,000 and allocated $44,475 to the American Indian Community Housing Organization and $105,495 to the Salvation Army and Life House to carry out activities aimed at preventing people from becoming homeless and assisting individuals, families and youth identified as homeless, including those identified as chronically homeless.

Outreach

Outreach activities in Duluth are funded through the Continuum of Care. Outreach activities are carried out by CHUM Shelter and the Human Development Center. Outreach activities aimed at helping homeless youth are carried out by Life House and Lutheran Social Services.

Chronic

Homeless activities specific to chronically homeless are carried out by a number of housing and homeless service providers in Duluth, but activities are not funded under the City's ESG or CDBG programs. All new housing development for homeless in Duluth include a number of units targeted specifically for chonic homeless.

Prevention

The primary prevention assistance services that occur in Duluth are provided through the Family Homeless Prevention and Assistance Program (FHPAP), a program funded through the State of Minnesota and the Minnesota Housing Finance Agency. Funds are awarded through St. Louis County's Continuum of Care process, using protocols and procedures established by the Homeless Response Committees and the St. Louis County Leadership Council and administered by St. Louis County. In 2012, four Duluth agencies received approximately $325,000 in FHPAP funds to provide prevention and homeless assistance, they include the American Indian Community Housing Organization, Life House, The Salvation Army and Legal Aid. These agencies assisted more than 500 households to maintain or access housing stability through the prevention services and housing placement and stabilization services.

Discharge Planning

One of the goals outlined in the *SLC Ten-Year Plan to End Homelessness* was to establish uniform discharge protocols and procedures that prevent people who are being released from county institutions from being discharged into homelessness. An Adult Protocol Business Plan was completed in 2008. The discharge plan outlines transition process steps, based on an evidence-based model called Critical Time Intervention, a standardized assessment tool that is used by all discharging entities upon client admission to identify those at risk of homelessness, specific services to be offered to all clients and additional services offered to at-risk clients. The Discharge Plan also outlines the roles and responsibilities of the collaborative partner agencies, including coordination, information sharing, staffing patterns for institutional-based and community-based staff, and training. In 2010, St. Louis County received funding to conduct a pilot project with County correctional facilities to implement the discharge plan. Implementation of the project went well, but no new funds were allocated toward discharge planning activities once the pilot project ended. However, many of the established protocols implemented under the pilot continue to be used. No additional work has been done regarding discharge planning, however, discharge activities will be reviewed as the city and county work toward transitioning Duluth's homeless response system under the SLC Continuum of Care to align with the HEARTH Act goals.

American Recovery Reinvestment Act

CDBG-R

The Community Development Office received $760,123 in American Recovery and Reinvestment Act (CDBG-R) funds and these projects have been expended in previous years except for sidewalk accessibility and sidewalk improvements.

Curb Ramp Accessibility
The remaining funds were awarded for sidewalks on East Superior Street between 19th Avenue West and 20th Avenue West in November, 2011. This project was completed on June 30, 2012. Construction of 16 curb ramp accessibility improvements at intersections created a smooth surface for persons with mobility disabilities. This project is expanded from the original FY 2009 Annual Action Plan.

Americorps
No activity to report for 2012.

The CDBG-R grant was officially closed out with HUD on March 8, 2013.

Homeless Prevention and Rapid Re-housing Program

In 2008, the City of Duluth was awarded $1.2 million dollars to assist homeless families, youth and singles to obtain housing and maintain housing stability, and to assist youth, families and singles who are imminently at risk of losing their housing to maintain and improve their housing stability.

In 2009, the City contracted with four agencies to provide Homeless Prevention and Rapid Re-housing Program (HPRP) assistance. The agencies providing HPRP services included: Churches United in Ministry (CHUM)—provided homeless case management and housing assistance to families and individuals staying in the congregate emergency shelter and the four family emergency shelter units; The Center for Alcohol and Drug Treatment—provided homeless case management, housing and financial assistance to homeless individuals exiting treatment facilities; Life House Youth Center—provided prevention case management and rapid re-housing assistance to homeless teens; and The Salvation Army—provided prevention case management assistance to homeless families and to provide housing specialist assistance and financial assistance to all HPRP participants needing such assistance.

American Recovery Reinvestment Act Expenditure Activity				
HUD Code	**Project**	**Priority**	**Allocated**	**Expended**
03L	Sidewalks Accessibility & Sidewalk Improvements	High	$427,876	$427,876

The City of Duluth expended all HPRP finds and closed out the HPRP program on 6/3/13. During the time that HPRP assistance was available in Duluth, a total of $1,162,800 was expended. This included $692,404 in direct cash assistance ($498,343.42 for homeless prevention and $194,060.58 for homeless assistance) and $389,000 in housing relocation and stabilization services ($221,730 for homeless prevention and $167,270 for homeless assistance), $58,140 for program administration and $23,256 for HMIS administration and reporting.

From October 2009, when the HPRP program was implemented in Duluth, until activities were completed in March 2012, the HPRP Program served 1,148 persons (584 households); 962 persons (482 households) were assisted through prevention and stabilization services and 186 (102 households) were assisted through rapid re-housing and stabilization services. Of the persons assisted through HPRP, 82% were reported to be stabilized in their housing after receiving housing assistance and follow-up services.

HOME Program Homeless Projects

The City of Duluth has funded a Tenant Based Rental Assistance (TBRA) Program with the Housing and Redevelopment Authority (HRA) since 2004. In the last several years, in conjunction with the St. Louis County Ten-Year Plan to End Homelessness, the City has targeted homeless populations—particular those hardest to house, for the TBRA housing vouchers. This allows those who have greater difficulty finding housing to be rapidly re-housed, allows participants the opportunity to improve their chances of eligibility for the Housing Choice (Section 8) Voucher Program, gives these families greater housing stability by being housed in the TBRA program while they are on the waiting list for a Housing Choice voucher and to move on to the HCV program once they complete their probation period or come to the top of the waiting list. During the 2012 program year, the city provided $125,000 in HOME funds to the HRA for their TBRA program, which resulted in 26 households being stably housed through the provision of rental assistance vouchers. Six of those households transitioned from the TBRA program to the Housing Choice Voucher program. All the households remain stably housed.

Another homeless project funded through the HOME program in 2012 is the 4th Street Housing Project. The project, when completed, will provide 40 units of permanent supportive housing for homeless families with an additional four units to be used as emergency shelter for homeless families. This project was also awarded 2012 CDBG Public Facility funds to help build the emergency shelter units.

Leveraged Community Development Resources

HUD requests that the City of Duluth outline other federal and non-federal funding sources accessed in 2012 which assisted the City and its partners to accomplish the community development and housing goals.

Community Development sub-recipients reported a total of $25,202,999 in leveraged community development resources for 2012. This represents a nearly 1:8.3 leveraging of community development resources with other funding. Below is a breakdown of that funding by source:

Other federal funds (non-CDBG)	$ 1,756,535
State/Local funds	$7,376,068
Private funds (foundations/United Way, fundraising)	$15,053,833
Other funds (fees/reimbursement)	$1,016,563
TOTAL LEVERAGED FUNDS	$25,202,999
TOTAL COMMUNITY DEVELOPMENT FUNDS (CDBG, HOME, ESGP)	**$ 3,038,179**

The 2012 Action Plan estimated a potential leveraging of $3,125,858 in Community Development funds with $18,630,116 in other resources. This estimate translated into a 1:5.96 leveraging of Community Development funds. In 2012 there was a substantial need for housing and street repair and construction due to the flooding that occurred in June of 2012. The increase in leveraged funds is allocated in projects relating to street assistance and housing infrastructure.

Loans and Other Receivables

For FY 2011, year-ending March 31, 2013

1. Float-funded activities outstanding as of the end of the reporting period:
   There were no "float-funded" activities in the FY 2012 program.

2. Total number of loans outstanding and principal balance owed as of the end of the reporting period:

Single-unit Housing rehab Revolving fund
Loans outstanding: 70
Principal balance: $2,737,012.55
Program Income: $1,798
Interest Earned: $146

Single-unit housing rehab Deferred loans
Loans outstanding: 422
Principal Balance: $5,169,050.22
Program Income: $24,692
Interest Earned: $ 0

Multi-unit housing rehab Revolving fund
Loans outstanding: 55
Principal Balance: $1,273,169.40
Program Income: $42,374
Interest Earned: $99

Multi-Unit Housing rehab Deferred loans
Loans outstanding: 68
Principal Balance: $2,496,062

Economic Development Revolving loans
Loans outstanding: 16
Principal Balance: $156,754
Program Income: $5,799.93
Interest Earned: $72

3. Parcels acquired or improved with CDBG funds that are available for sale as of the end of the reporting period:

   There was no property sold during the program year

4. Number and amount of loans in default and for which the balance was forgiven or written off during the reporting period: There were no loan write-offs in the program year.

5. Lump sum drawdown agreement: There were no lump sum drawdowns during the FY 2012 program year.

Fair Housing

Five years ago (2009), the Community Development staff reviewed and updated the 2004 Fair Housing Plan. The Analysis of Impediments to Fair Housing and Fair Housing Plan was formally adopted by Duluth City Council on January 25, 2010 and incorporated into the 2010 to 2014 Consolidated Plan. An Action Plan for 2013 has been prepared and will be evaluated in the 2013 CAPER.

Outlined below are the goals and actions from the Fair Housing Plan addressed in Program Year 2012. The full and updated Analysis of Impediments to Fair Housing and Fair Housing Plan for Duluth is contained in the 2005-2009 Consolidated Plan as Appendix D.

During 2012, it became apparent that dissemination of fair housing information, as well as the education of the public, housing agencies, and rental property managers and owners is happening in new ways. Hard copies of booklets are distributed and training sessions still occur, but new methods, such as postings on web pages, broadcasts on public stations and the internet, and using iPhone apps to file "real time" fair housing complaints are creating new opportunities to increase awareness and ensure compliance with fair housing laws.

IMPEDIMENT 1: LACK OF INFORMATION AND EDUCATION

Housing providers and consumers must have a greater understanding of fair housing laws and regulations; in particular, a better understanding of the fair housing rights and responsibilities as they pertain to the rental housing market.

Goal A: Disseminate general fair housing information to 500 tenants and landlords.

2012 Action:

1. The Housing Access Program (HAP) was a major player in Fair Housing activities within the City. On March 31, 2010, due to funding issues, they went out of business. As such, 2011 and 2012 are seen as re-building years in terms of a single agency providing fair housing information. Given current availability of resources it does not seem likely that a single agency will be possible. It seems more likely that existing agencies will need to coordinate and cooperate in fair housing as noted in number 3 below.

2. HRA will continue to provide fair housing information in its packets to prospective tenants in public housing and persons who secure housing vouchers.

3. Other agencies such as Legal Aid, Indian Legal Aid, United Way's 2-1-1 Information line, Home Line, and The Salvation Army will provide general information to tenants and landlords.

2012 Actions Taken:

The City of Duluth's Human Rights Office distributed brochures and posters at the meetings of the Human Rights and Disabilities Commissions; The Salvation Army; One Roof Community Housing; and throughout public buildings. The office also worked with PACT TV, to broadcast a public service announcement entitled "You + Fair Housing = A Better Community". A major workshop for the public, "Empower Duluth", was held on

March 23, 2013. Over the course of the day, 169 people attended free workshops and gathered information on a variety of topics, such as finances, housing, employment and access to higher education. Fair housing information and brochures were distributed to the attendees, and fair housing issues were included in both housing and financial workshop sessions. Community Action Duluth hosted 12 "Common Cents: Money and Homebuyer Classes", where fair housing is a topic in each class and fair housing resources are distributed as part of the course curriculum. The HRA, Legal Aid, Indian Legal Aid, United Way's 2-1-1 Information line, Home Line, and The Salvation Army continued their efforts to provide fair housing information to tenants and landlords.

Goal B: Develop and implement training to increase the knowledge and understanding of fair housing rights and responsibilities, to include reasonable accommodations for CDBG/ESG housing providers and tenants.

2012 Action:

1. At present, the City does not have a single point of contact or an organization providing a wide range of fair housing services which HAP provided in previous years.

2012 Actions Taken:

Activities by a variety of agencies in Duluth have worked to fill the gap created by the closing of the Housing Access Program. The Salvation Army continues to provide their "Rent Wise" classes. Community Action Duluth hosts financial and homebuyer classes, and informs attendees of their rights. The Affordable Housing Coalition, a group with representatives of housing agencies, service providers and non-profit developers, formed a new sub-committee specifically to address fair housing issues. Legal Aid provided training on "Legal Rights and Responsibilities and Community Resources for Landlords" on May 23, 2012. They also held three trainings for tenants and addressed fair housing at each of these events. The City's Human Rights Officer plans to attend a fair housing conference to be held in Chicago, hosted by HUD's Region 5 office, later this spring.

Goal C: Coordination of resources to provide community education and outreach.

2012 Action:

1. The Community Development Office will host one annual meeting or summit which is to include representatives from agencies and the private sector that work with persons whom maybe impacted by discrimination in housing. The purpose of this meeting is to increase knowledge of programs, improve communication between agencies, and reduce duplication where possible.

2012 Actions Taken:
To better coordinate existing resources and determine gaps in service, the Community Development Office called together representatives from 16 local agencies for a Round Table discussion on program coordination, the result of which was a better understanding of what each agency can or cannot do, identification of existing resources, a commitment to meet annually and agreement to develop a fair housing booklet or handout. One major outcome of this series of meetings (March 5, April 15 and May 3, 2012) was an update fair housing publication for agencies to distribute to their clientele. Late in the program year, on March 27, 2013, another Fair Housing Round Table was held, hosted by the Community Development Office, with 6 agencies in attendance. There was a sharing of new fair housing activities undertaken, and a facilitated discussion on "gaps" that exist, as well as ideas on how to address them. A new HUD Fair Housing App for iPad/iPhone was demonstrated, and HUD's final rule released on February 8, 2013 entitled "Implementation of the Fair Housing Act's Discriminatory Effects Standards" was discussed. The identified "gaps" and ideas were:

Gaps in Housing/Fair Housing Services:

Loss of Housing Resource Center

- Lack of funding to provide support/advocacy/education
- Coordination/referral services lost

- Resources for physical accessibility
- Landlord education/trainings
- Lack of referrals for hard to house population
- Landlords won't accept people with multiple barriers: homeless/disabilities/criminal records
- Education/training around mental health issues
- Bridge house (mental health crisis center) closing
- Policy driven solutions—use landlord certification/licensure as educational opportunity?
- Regulations/policy information comes to landlords at inspection, not when policies/regulations are made.
    - Landlords could use a "summary of changes"
    - Absentee landlords

Ideas/Resources

Community plan—coordinate annual trainings/meetings to:

- Keep up to date on policies/best practices (i.e. LEP/other accommodations)
- Share resources
- Foster and support Fair Housing in Duluth

- "Ready to Rent" classes for general population (HRA does for their applicants)
- Affordable Housing Coalition subcommittee on fair housing has formed

As a follow-up to the meeting, the "Housing Resources: Where to start when facing housing issues" booklet was updated. It was also converted to a PDF format, and made available for inclusion on various agency websites. It is now available on the Community Development web page.

IMPEDIMENT 2: HOUSING DISCRIMINATION AGAINST PROTECTED CLASSES

When asked about housing discrimination, key informants and focus group participants agreed that illegal housing discrimination occurs in Duluth. Discrimination may occur unknowingly at times, or without knowledge of the legal ramifications that may result, or because enforcement through the state or federal process is difficult and time consuming, and therefore, not often pursued, or because it commonly occurs in one's life experience and becomes accepted behavior. Regardless of why, how or where discrimination occurs, activities that discriminate against the more vulnerable of our population, against people protected under the Fair Housing Act, is an impediment to fair and equal housing choice. It is illegal and acting in accordance with the fair housing law is the responsibility of all citizens.

Goal A: Establish guidelines for "acceptable" and "not acceptable" lease language, with "acceptable" language encouraged and "not acceptable" language prohibited in all leases and rental applications used in the City of Duluth.

2012 Action:

1. For 2012, the Duluth Human Rights Officer and Community Development staff will meet with the Arrowhead Multi-Housing Association and the HRA, and begin a discussion on "acceptable" and "not acceptable" language in rental leases. The intent is to develop a standards lease or "best management practice" for use by Duluth rental housing property owners, landlords and management companies that is "acceptable" and "not acceptable" and/or discriminatory. Lease "best management practices" will be disseminated to landlords, management companies, the Arrowhead Multi-Family Association, the HRA and secondary education campuses.

2012 Actions Taken:

The Arrowhead Multi-Housing Association became inactive in 2012, and development of the lease language was put on "hold" as another venue for dialog with representative rental property owners and managers was sought. It is hoped that either the Association is re-established in the coming year, or a new method to facilitate a broad discussion will be utilized for input from the rental housing community.

Community Development staff reviewed the City of Duluth's Human Rights Office activities undertaken in 2012 related to enforcement of fair housing laws and regulations. During the program year, the Office received two housing complaints. One was investigated by the Human Rights Officer, and the second resulted in an ADA referral. The office regularly provide referrals to the HUD's Region 5 Fair Housing complaint line at 1-800-765-9372, and/or to Legal Aid at 218-623-8100. Community Action Duluth's housing counselors and advocates provide assistance with housing discrimination issues on a case-by-case basis. Legal Aid seeks reasonable accommodations for individuals and families at-risk of losing their housing or being denied housing for reasons related to disabilities. They handled at least 100 cases during the past year.

Consistency of Consolidated Plan Priorities with Investment of CDBG Funds

This section of the report focuses on consistency of the City's funding allocation with the priorities of the Consolidated Plan, meaning whether we have funded the community's "High" priority areas and whether we have been able to fund any "Medium" priority areas after working on the High priority issues. Also, this section reflects on how well the program is doing to access all other possible resources that are consistent with the Consolidated Plan.

Consistency of Consolidated Plan Priorities with Investment of CDBG Funds

In the 2013 allocation process, the CD Committee established funding priorities that included distribution goals. These percentage ranges, or goals, were employed to guide investment decisions and further the overall Consolidated Plan goals and priorities.

Those funding goals were:

	Percentage goal	Percentage allocated
Housing	30	33
Economic Development	15	15
Public Facility Improvements	20	17
Public Services	15	15

Affordable Housing was the highest priority in the 2010-2014 Consolidated Plan. The Committee noted that there continues to be a lack of affordable housing units, along with the continued need for maintaining the existing affordable housing stock, which is very old in comparison to other communities. This was the rationale for continuing to allocate a higher percentage of the resources to the housing category. With the implementation of the Duluth At Work program the Economic Development category was again funded near the amount allocated last year. However, the amount allocated

for the Public Facilities category increased because there were additional proposals in this category to fund, and the projects that were funded are High Priorities and identified needs; a neighborhood facility that provides food and social services and a family emergency shelter facility.

At this point, three years completed under the 2010-2014 Consolidated Plan all High Priority Needs have been funded. In 2013, under Public Facilities, Hillside Apartments was funded to provide six family homeless shelter units which are much needed in the community. There were no Medium Priorities funded in 2013.

A list of Duluth projects that submitted applications to the 2012 HUD SuperNOFA that were certified as consistent with Duluth's Consolidated Plan include services provided for the Gimaajii Mino Bimaadiziyann project, Oshki Transitional Housing, Alicia's Place, New San Marco, Veterans' Place, SIL House, Memorial Park Apartments, and Catherine Booth Residence.

In addition, four applications for other Federal Programs were certified as consistent with the Consolidated Plan.

Priority Community Development Need	Priority Need Level	Accomplished By	Project/Program
Public Housing	High	Duluth HRA	PHA – Plan
Home Ownership	High	Community Action Duluth	Housing Counseling, Education, and Matched Savings
Lead-based Paint	High	City/HRA/ALA	Duluth Healthy Homes Partnership
Permanent Supportive Housing	High	CCHC/One Roof	Supportive Housing for Homeless Families

One-for-One Replacement/Displacement

The City of Duluth has a policy of minimizing displacement if at all possible. The requirements of the Uniform Relocation Act and Section 104(d) are included in all City contracts that may result in the need for relocation assistance. City staff evaluates all funded projects to determine if occupied properties will be covered, approves any needed relocation plans, and monitors grantees to ensure compliance.

There were no relocations triggered by the HRA's rental and homeowner housing rehab and lead remediation programs, or the HRA's and One Roof's acquisition, rehab and resale programs.

A planned supportive housing project for chronically homeless families, called the Hillside Apartment project, will result in the demolition of occupied properties in the Central Hillside neighborhood in the summer of 2013. On March 8, 2011, the Duluth HRA provided General Information Notices to tenants of rental units and businesses that they may be displaced by the project. During 2012, the Duluth HRA provided relocation assistance to 11 households made up of 19 individuals; and one business was relocated, Twin Ports Upholstery.

A one-for-one replacement plan was made public on March 15, 2013, related to the scheduled demolition of five properties that include 22 rental units. Of these units, five had rents above the HUD determined Fair Market Rent (FMR), and are therefore not considered affordable. The remaining 17 affordable units must be replaced. The affordable units consist of nine 1-bedroom units; two 2-bedroom units; and six 3-bedroom units. When completed, Hillside Apartments will have 44 units. The replacement units will consist of six 1-bedroom units; five 2-bedroom units; and six 3-bedroom units. The additional 27 new units will be available as replacement units for any loss of affordable housing for the next three years.

Program Assessment

FY 2012 Performance Outcomes

	Accessible		Affordable		Sustainable	
	Projected	Actual	Projected	Actual	Projected	Actual
Decent Housing	3562	4118	154	214	-	-
Sustainable Living Environement	21229	20396	0	3	2	0
Economic Opportunity	43	37	-	-	-	-

This table shows the City's performance outcomes in the three areas of Decent Housing, Economic Opportunity and Sustainable Living Environment with the outcomes of improving accessibility, increasing affordability and creating sustainability. The 2012 performance results show that in the area of Decent Housing improving accessibility was dramatically over the projected amount due to the demand for transitional and shelter housing. In the area of increasing affordability the actual output lags behind the projections due to the length of time that housing rehabilitation takes in our community, this year shows a catch up with units that were in the pipeline. Under the performance category of Economic Opportunity improving accessibility was slightly

below the projected amount due to the slowly recovering economy and limited job opportunities. The performance category of Sustainable Living Environment, improving accessibility, was slightly below the projected numbers due to the reduction in services with funding decreases.

Strategy Adjustment or Program Retooling

Affordable Housing

Plans to create the Housing Resource Connection, with co-located offices, shared resources, common intake and eligibility determination were implemented. The Duluth Housing Authority, Arrowhead Economic Opportunity Agency, One Roof Community Housing, Community Development have invested time and resources in to this collaboration. Interested homeowners and buyers will be able to start the process online or at any of the housing agencies. Outreach to property owners and homebuyers will occur using joint marketing under a unified identity for the new Housing Resource Connection. The next step in this process will be to integrate funding from a number of different resources to meet the Community's needs.

Economic Development

The Community Development Division participated in the RFQ/RFP process for developing an Economic Development Plan for the City of Duluth. The plan will identify the business needs for new companies as well as current employers. From this plan the City will work with our economic development to develop and implement solutions. Those needs include sites, business tools and a trained workforce. The Community Development program continues to implement the Duluth At Work initiative in cooperation with the Local Initiatives Support Corporation (LISC) and the Duluth Workforce Center. This program focuses on investing in people through employment training and skill development, not business incentives. The initiative has a simple goal of increasing household or business incomes and assets by 25% over a three-year period. The objective is to assist people in gaining employment opportunities, through skill development, to access jobs that will assist them with a way out of poverty and toward economic stabilization. The City's program added two new agencies (Life House and Community Action Duluth), in an effort to reach additional population groups in need of skill development and employment opportunities. The program also provides business owners with technical assistance to increase business viability that will lead to job creation and growth with the Community Development Target Areas over a two year period.

Public Facilities

The City is re-examining our street investment strategies in light of recent funding reductions, the flood event and continuing deterioration of aging infrastructure. It is anticipated that CDBG funds will be a part of the solution and strategies. We continue to focus investments on ensuring that "Neighborhood Facilities," which deliver much needed public services, i.e., meals programs or food shelves, are handicapped

accessible and up to date. Also, the Community Development program will focus some efforts on providing improvements that increase energy efficiency in those facilities.

Public Services

These programs and agencies have been dramatically affected by both state and federal reductions which are directly impacting the operation of vital services for the lowest income individuals within the community. This upcoming program year will again require the City to refocus the priorities to meet the most crucial needs of low income individuals. A key strategy for implementing program efficiency will be to promote collaborations among homeless service providers. That method would be to require combined applications from agencies providing similar services or sharing other resources to reduce the CDBG public service requests. The City of Duluth is not focusing CDBG funds towards youth programming, primarily because the City has other funding that it is now contributing towards youth programming.

Overall, the services in the Community Development program are achieving good outcomes, and have now been doing so by seeking ways to achieve greater efficiencies; however, more collaboration could lead to more efficiency. The community has had to make undesirable choices in order to preserve the vital services that are essential to persons with low and moderate incomes in Duluth. The public services program continues to be retooled in order to prioritize services that are efficient and achieve the best results.

Monitoring

Each community development project is monitored on-site by the Community Development staff at least once every two years. In 2012, twenty community development projects were monitored by an on-site visit, and six received a file monitoring. At the onsite visits, staff verifies both that program activities are meeting a national objective and funds are being expended appropriately on eligible activities. A financial monitoring is conducted on programs that administer revolving loan funds on behalf of the City at least every year. All CDBG, HOME and ESG funded programs receive this type of monitoring based upon a risk assessment.

The following is a summary of any program findings or concerns which may lead to findings for the FY 2012 program year activities. Those activities not listed have met both the required national objective and eligible activity expenditure tests.

HOUSING DEVELOPMENT

Community Action Duluth-Individual Development Accounts (IDA)
12-HS-02

Community Action Duluth (CAD) assists low-and-moderate-income first-time homebuyers by providing matched savings, housing counseling, financial education and down payment assistance.

Concern #1:
In 2012, CAD did not spend down their CDBG funds in a timely manner and therefore, requested an extension of their contract. Agency staff cited financial staff turnover as the reason for not completing spend down. Community Development staff recommend that payment requests be reviewed by lead program staff who are familiar with spend down requirements and who attended training held by Community Development staff in 2012 on this issue.

Arrowhead Economic Opportunity Agency, Inc (AEOA)- Duluth Weatherization
12-HS-03

AEOA will provide weatherization assistance for low-income households that are not served by Fuel Assistance with the City of Duluth. The Energy Conservation will be achieved through mechanical repairs/replacements, air sealing, and insulation.

Finding #1:
At the time of monitoring the project files did not contain documentation to show that the program participants cleared all contractors (general and subcontractors) through the HUD listing for debarred and suspended participants. AEOA staff assured staff that the procedure was followed. Community Development staff will review the 2012 project files within 30 days for the proper documentation.

Concern #1:
At the time of monitoring the project files did not contain building permit information. AEOA staff assured staff that building permits were obtained. Community Development staff will review the 2012 project files within 30 days for the proper documentation.

NEIGHBORHOOD PLANNING

Neighborhood Housing Services (NHS) – At Home Targeted Revitalization
11-AD-08

Two agencies, NHS and the Spirit Valley Citizens Neighborhood Development Association (SVCNDA) jointly applied for funding to plan for and implement revitalization strategies in defined target areas in West Duluth and the Central and East Hillside neighborhoods. Each agency was to utilize $5,000 out of an award of $10,000, NHS for the Hillside area, and SVCNDA in West Duluth. NHS (now One Roof) successfully completed the Hillside plan. SVCNDA (now West Duluth Community Development Corporation, WDCDC) worked on their neighborhood plan, and received a progress payment of $2,500. Before the final payment was made, it was discovered that the agency lacked proper financial controls related to other sources of funding. WDCDC was placed on probationary status; the remaining $2,500 in the contract was cancelled. These funds will be reprogramed for other activities.

ECONOMIC DEVELOPMENT

SOAR Career Solutions Duluth At Work
12-ED-01

SOAR Career Solutions Duluth At Work program is intended to assist people with getting training and securing employment and then increasing their income by 25% over three years.

Concern #1:
A review of the participant files found inconsistencies on how income was verified for participants in the Duluth At Work program. Income verification needs to be conducted at participant intake into the Duluth At Work Project. If, at enrollment into Duluth At Work it has been over 12 months since their income has been verified, it should be re-verified and documented. SOAR should review procedures for income verification to ensure all staff uses consistent tabulation and documentation methodology. SOAR staff has been advised to attend the June 25th, 2013 public hearing.

CHUM Support Services for Employment/ Duluth At Work
12-ED-03

CHUM Employment Services is intended to assist people with getting training and securing employment and then increasing their income by 25% over three years.

Concern #1:
A review of the participant files has shown to lack the proper income verification files with the program. While CHUM Employment Services serves predominantly homeless people, documentation of homelessness should be completed and in the participants'

files. A Section 8 (Part 5), Income Verification worksheet does need to be completed with the documentation for any participants served that are not homeless. CHUM has been advised that determining income and/or homelessness with documentation is required, and the participant files will contain this information in the future. CHUM staff has been advised to attend the June 25th, 2013 public hearing.

Neighborhood Youth Services Jobs, Employment, Training (JET) Program
11-ED-03, 12-ED-03

NYS JET (Jobs, Education and Training) was funded under the Duluth At Work program to assist people with getting training and securing employment and then increasing their income by 25% over three years.

Finding #1:
Both NYS cohort files, 2011 (11-ED-03) and 2012 (12-ED-03) were reviewed during the monitoring visit. Upon review of the participant files, income verification for the 2011 cohort was incomplete for one participant and income verification for the 2012 cohort had not been completed. NYS has been advised that income verification is a requirement for all Duluth At Work participants. Income verification should include both the Section 8 (Part 5), Income verification worksheet which shows the identified income, as well as, documentation that verifies the income. Staff has since completed the income verification and included it in the files. NYS staff has been advised to attend the June 25th, 2013 public hearing.

Concern #1:
NYS works to train and find employment for youth. At the monitoring visit, participant files did not show documentation for completion of training or gained employment. Since the monitoring visit, NYS staff has been able to document the training and employment of participants in the 2011 and 2012 cohorts. NYS has been instructed to continue to collect this documentation as it is attained.

Life House Futures Program
11-ED-05, 12-ED-05

Life House Futures Program was funded under the Duluth At Work program to assist people with getting training and securing employment and then increasing their income by 25% over three years.

Concern #1:
Both Life House Duluth At Work cohorts, 2011 (11-ED-05) and 2012 (12-ED-05) were reviewed during the monitoring visit. While the majority of the youth served in the Futures Program are homeless so the participants are automatically considered income qualified, documentation of homelessness needs to be kept in the participants' files. Documentation of the homelessness for the participants was collected and Life House

will add this to their program procedures. Life House staff has been advised to attend the June 25th, 2013 public hearing.

PUBLIC SERVICES

Duluth Hunger Project- CHUM

12-PS-01

The Duluth Hunger Project is a coalition of four agencies (CHUM, Union Gospel Mission, Damiano Center, and Salvation Army) working together to prevent and alleviate chronic hunger and malnutrition among the lowest income of over 12,000 people in Duluth through congregate meal sites and food pantries.

In February 2013 it was brought to the City's attention that the Duluth Hunger project, which the City of Duluth funds with CDBG under the Public Services category, was going to remove one of the partners, Union Gospel Misison, from the Hunger Project, due to suspension from participation in the Food Bank. The City of Duluth, in order to maximize food distribution and continue to serve residents in need, agreed to redistribute the funds between the remaining three organizations involved in the Duluth Hunger Project.

CDBG Target Areas

The City continued to locally designate CDBG-eligible "Target Areas" citywide (See maps following pages). Each Target Area was comprised of groups of census tracts or census block groups in which at least 51% of the residents had low to moderate incomes by HUD's Annual Income Guidelines. All CDBG Target Areas were eligible for "area-benefit" projects and were priority areas for "citywide" programs.

The CDBG Target Areas include the following areas:

Census Tracts 37 & 38-3 - Morgan Park, Gary, Fond du Lac
Census Tracts 30-1, 31-4, 32, 33, 34-1 - West Duluth
Census Tracts 24, 25, 26, 27 & 28 - Lincoln Park
Census Tract 3-4 - Duluth Heights
Census Tracts 9-4, 16, 18, 19, & 20 - Central Hillside
Census Tracts 12, 13 & 17 - East Hillside
Census Tract 14 – Endion

While these target areas have been the primary focus of the City's physical improvement projects and housing activities in past years, the Community Development office has partnered with the At Home in Duluth collaborative to engage neighborhoods to re-examine revitalization focus areas. As a result of that process, each of the City's Core Neighborhoods have defined smaller geographic target areas to develop a more focused approach to targeting resources.

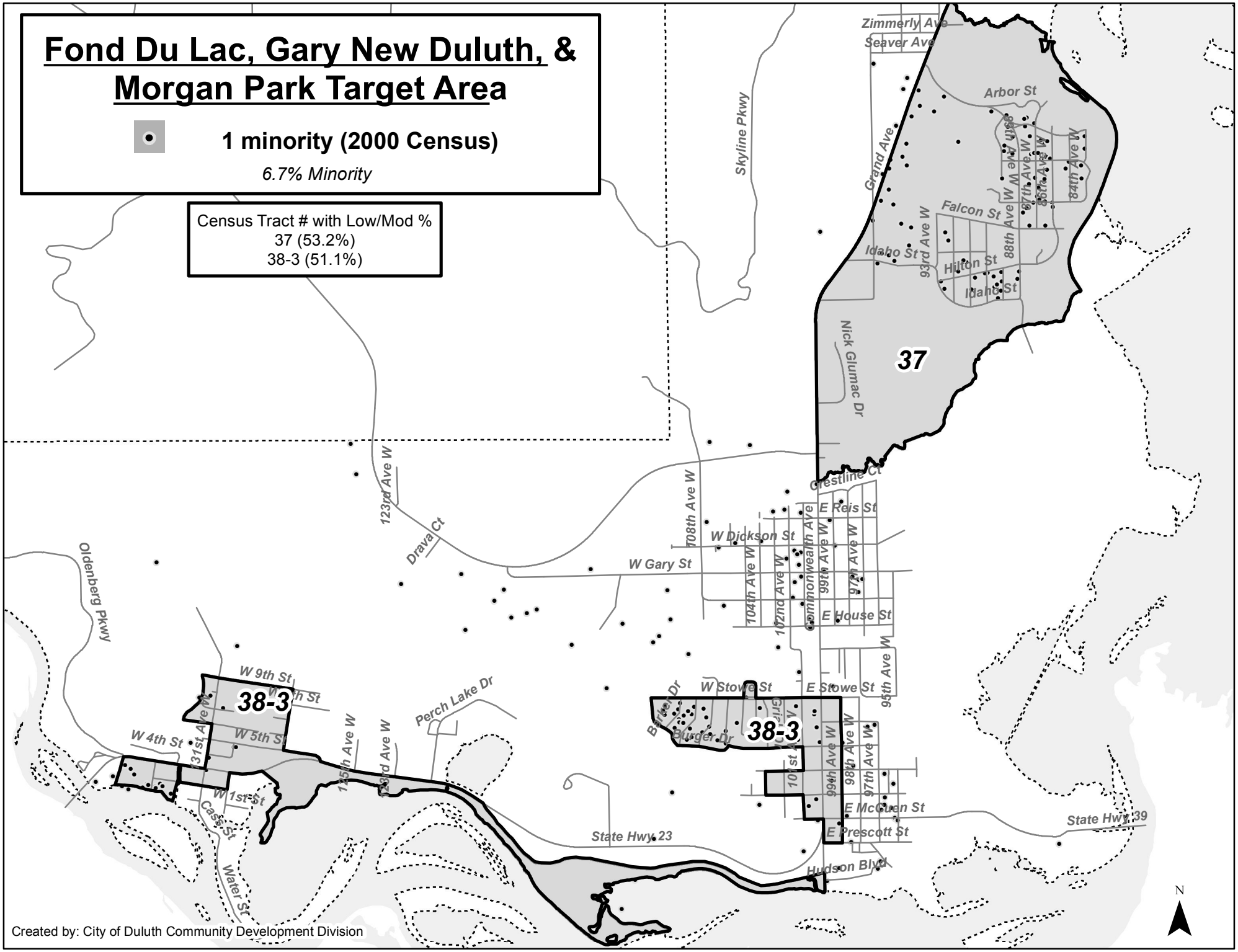
In early 2012, all five neighborhoods finished updating the "Neighborhood Revitalization Plans". The five neighborhood revitalization plan updates help to identify smaller geographic target areas within the neighborhoods where resources are being focused. Ongoing analysis will be done to address any additional, specific target areas.

Fond Du Lac, Gary New Duluth, & Morgan Park Target Area

1 minority (2000 Census)

6.7% Minority

Census Tract # with Low/Mod %
37 (53.2%)
38-3 (51.1%)



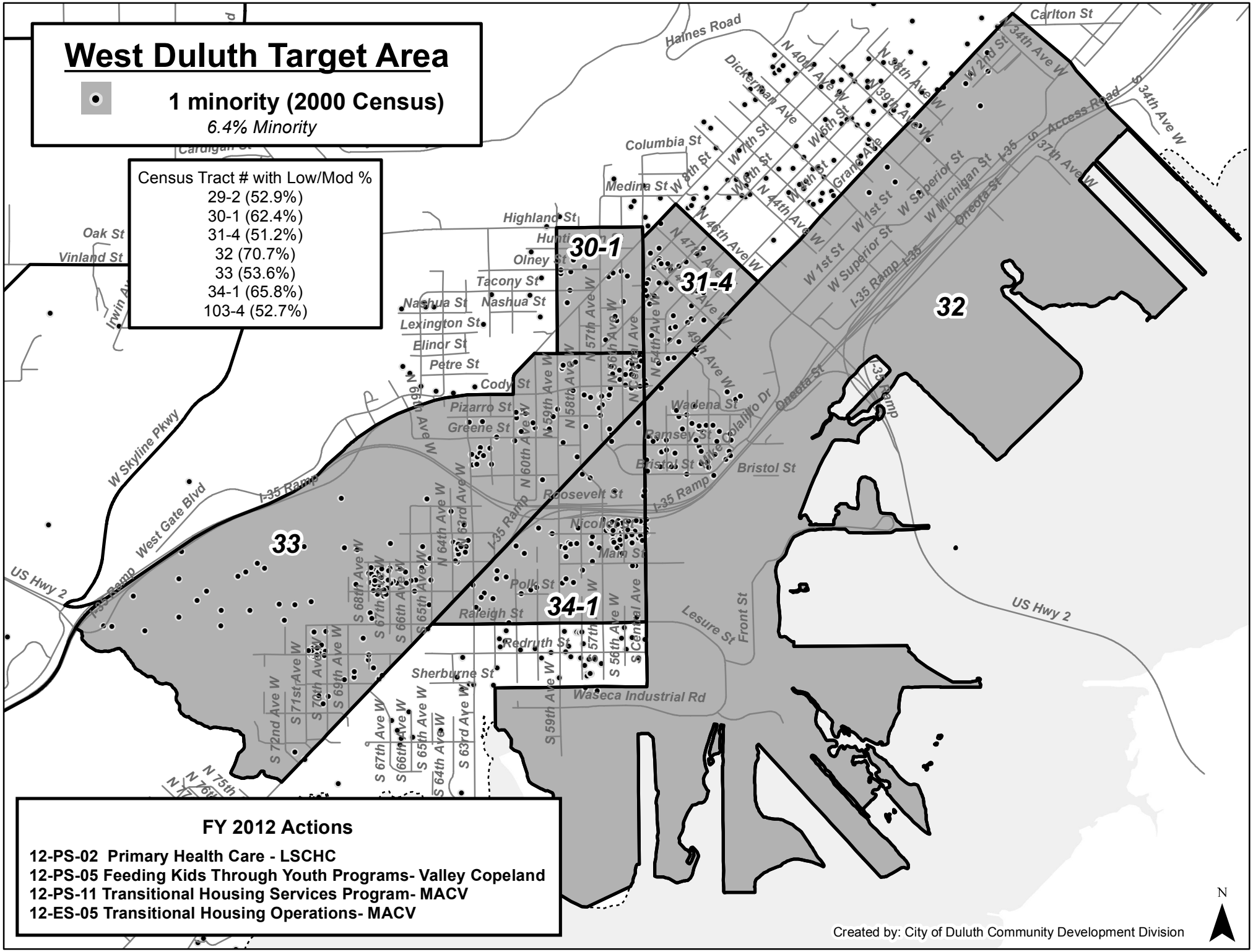
Created by: City of Duluth Community Development Division

West Duluth Target Area

1 minority (2000 Census)

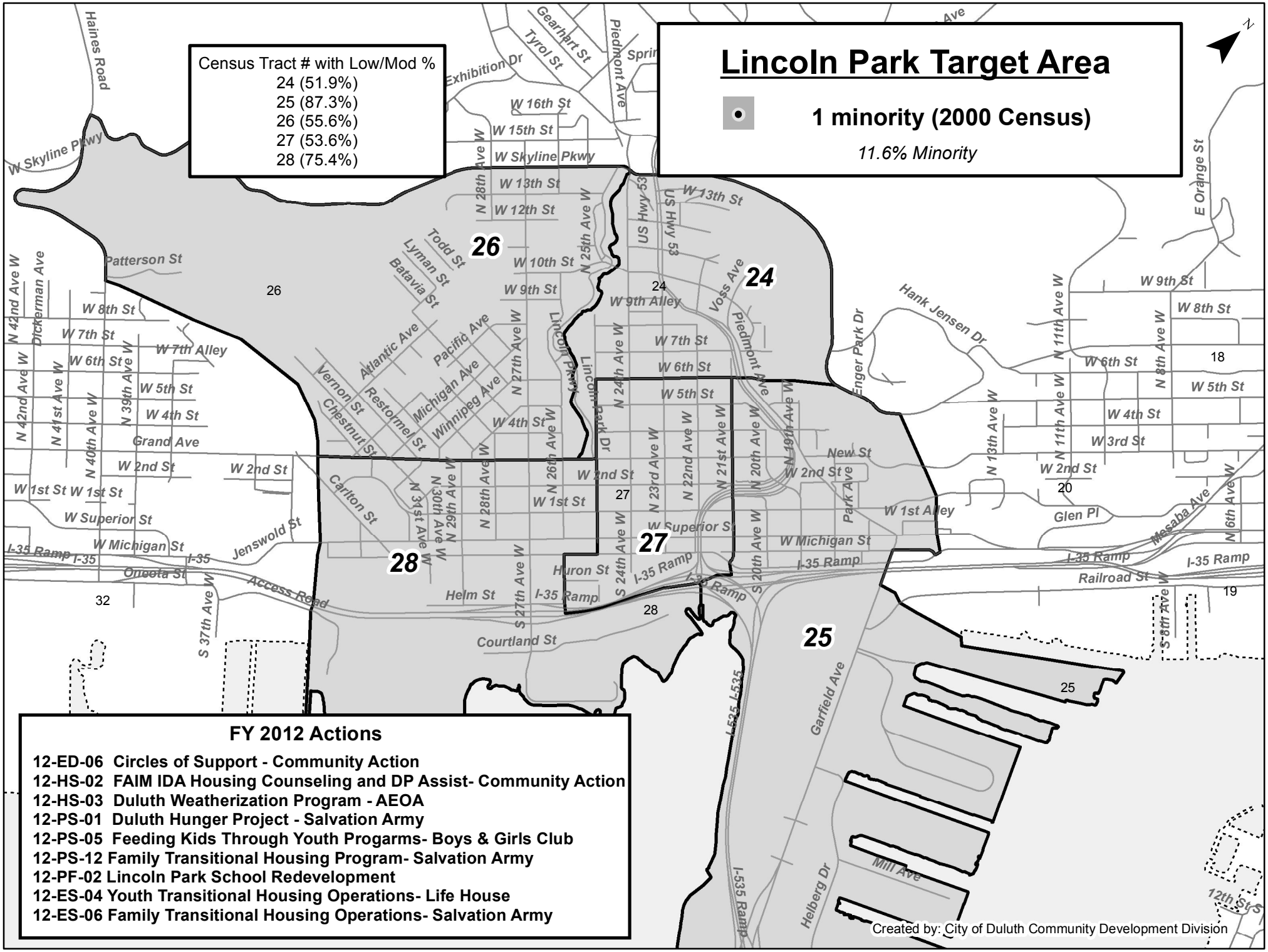
6.4% Minority

Census Tract # with Low/Mod %
29-2 (52.9%)
30-1 (62.4%)
31-4 (51.2%)
32 (70.7%)
33 (53.6%)
34-1 (65.8%)
103-4 (52.7%)



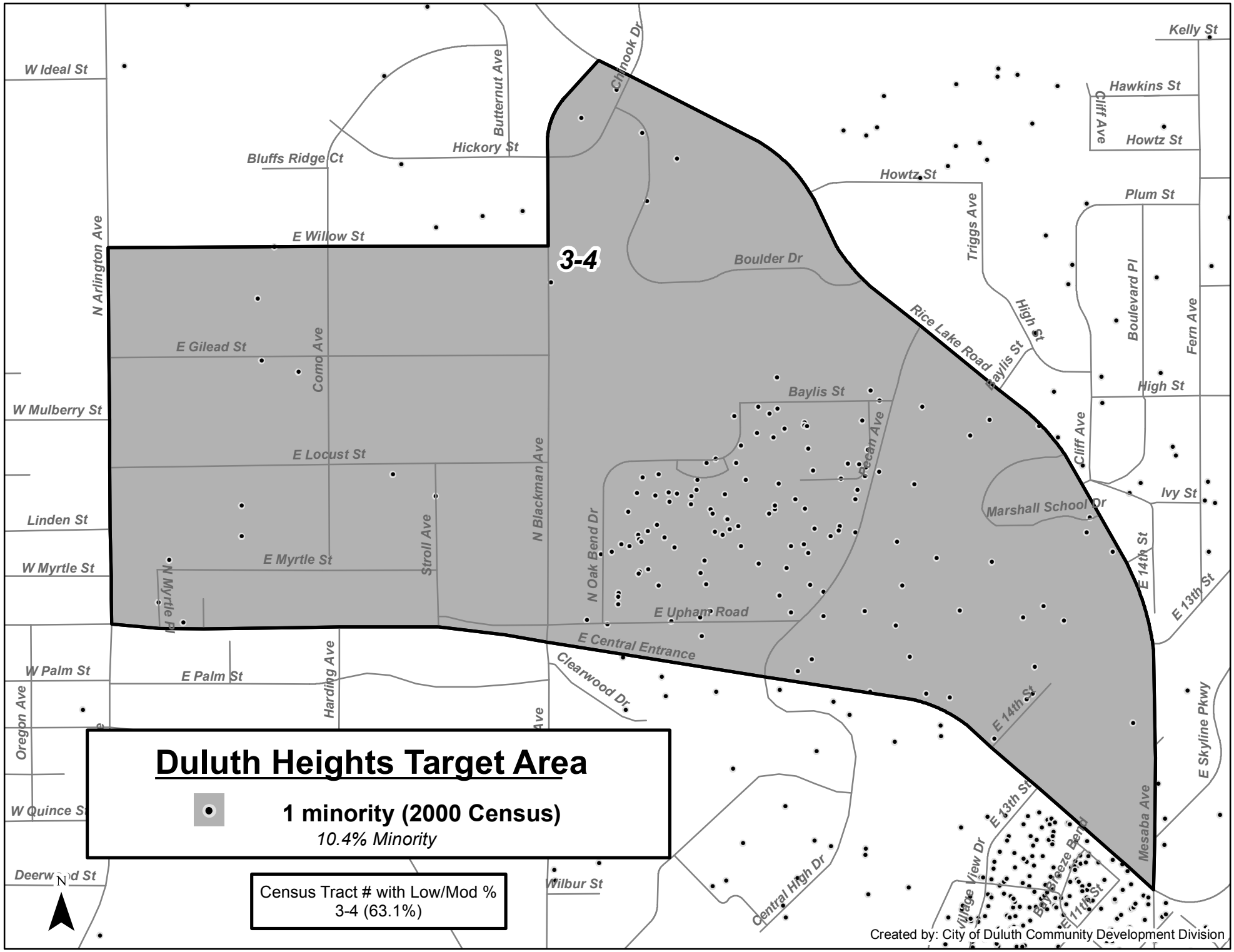
FY 2012 Actions

12-PS-02 Primary Health Care - LSCHC
12-PS-05 Feeding Kids Through Youth Programs- Valley Copeland
12-PS-11 Transitional Housing Services Program- MACV
12-ES-05 Transitional Housing Operations- MACV



FY 2012 Actions

12-ED-06 Circles of Support - Community Action
12-HS-02 FAIM IDA Housing Counseling and DP Assist- Community Action
12-HS-03 Duluth Weatherization Program - AEOA
12-PS-01 Duluth Hunger Project - Salvation Army
12-PS-05 Feeding Kids Through Youth Progarms- Boys & Girls Club
12-PS-12 Family Transitional Housing Program- Salvation Army
12-PF-02 Lincoln Park School Redevelopment
12-ES-04 Youth Transitional Housing Operations- Life House
12-ES-06 Family Transitional Housing Operations- Salvation Army



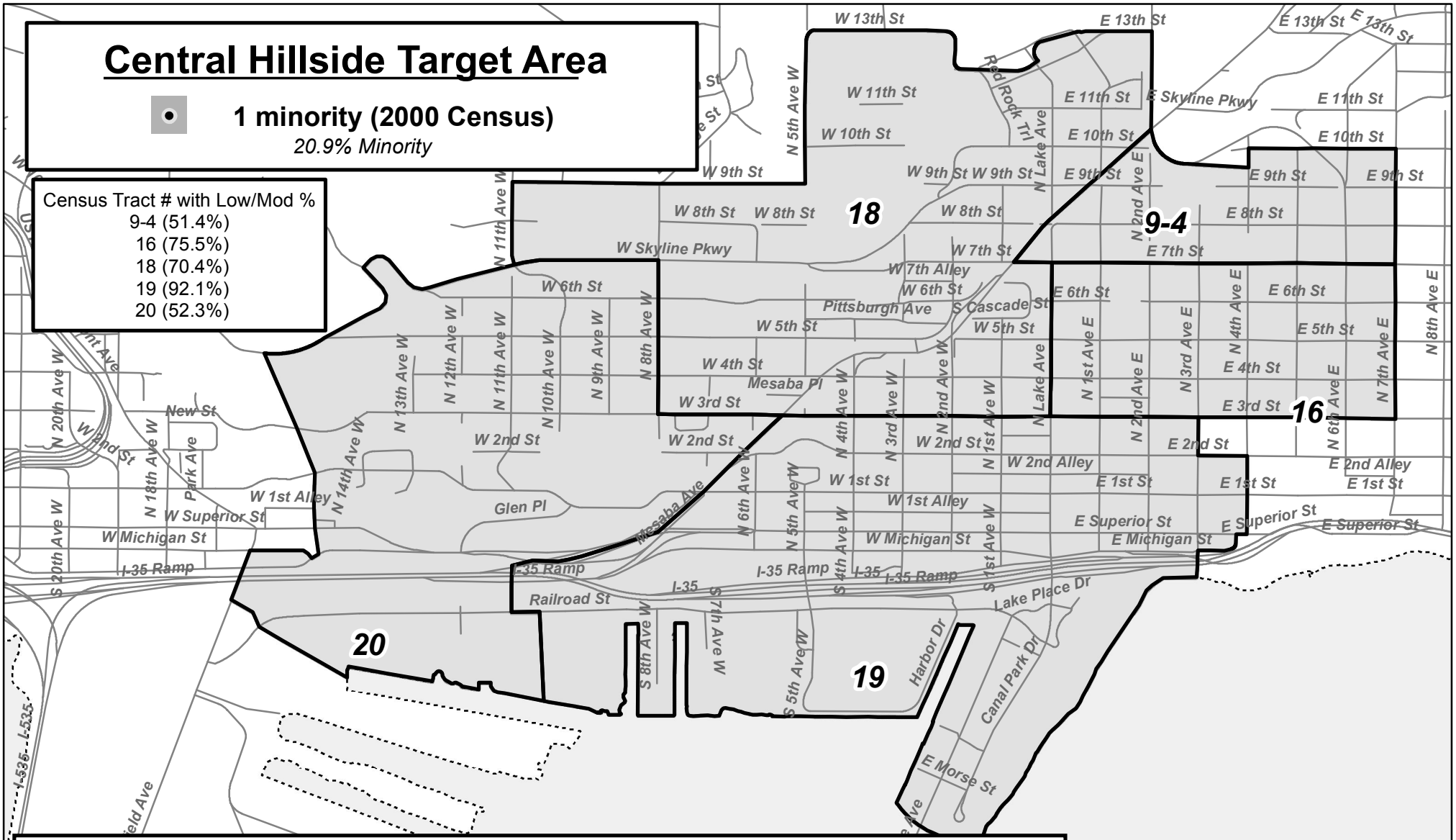
Created by: City of Duluth Community Development Division

Central Hillside Target Area

1 minority (2000 Census)

20.9% Minority

Census Tract # with Low/Mod %
9-4 (51.4%)
16 (75.5%)
18 (70.4%)
19 (92.1%)
20 (52.3%)



FY 2012 Actions

12-CD-01 Housing Predevelopment - NCLT
12-CD-02 Housing Predevelopment - CCHC
12-CH-02 Rehabilitation & Resale - NCLT
12-ED-01 Soar Duluth at Work. - Soar Career Solutions
12-ED-02 Support Services for Employment - CHUM
12-ED-03 JET (Jobs, Education, & Training) - NYS
12-ED-04 Growing Nghd Businesses - NE Entrepreneur Fund
12-ED-05 Futures Program - Life House
12-HS-01 Duluth Property Rehab/Housing Services Center- HRA/City
12-HM-01 Homeless Rental Assistance (TBRA) - HRA
12-PF-01 Soup Kitchen Renovation - Damiano
12-PS-01 Duluth Hunger Project - CHUM/Union Gospel Mission/Damiano
12-PS-03 Clothes That Work & Social Services - Damiano Center
12-PS-05 Feeding Kids Through Youth Programs- YMCA
12-PS-06 Lifeline Expressway of Youth Services - Life House
12-PS-07 Homeless Stabilization Services for Shelter- CHUM
12-PS-09 Oshki Transitional Housing Services Program- AICHO
12-PS-13 Permanent Supportive Housing Program - CCHC
12-ES-01 Emergency Shelter Operations- CHUM

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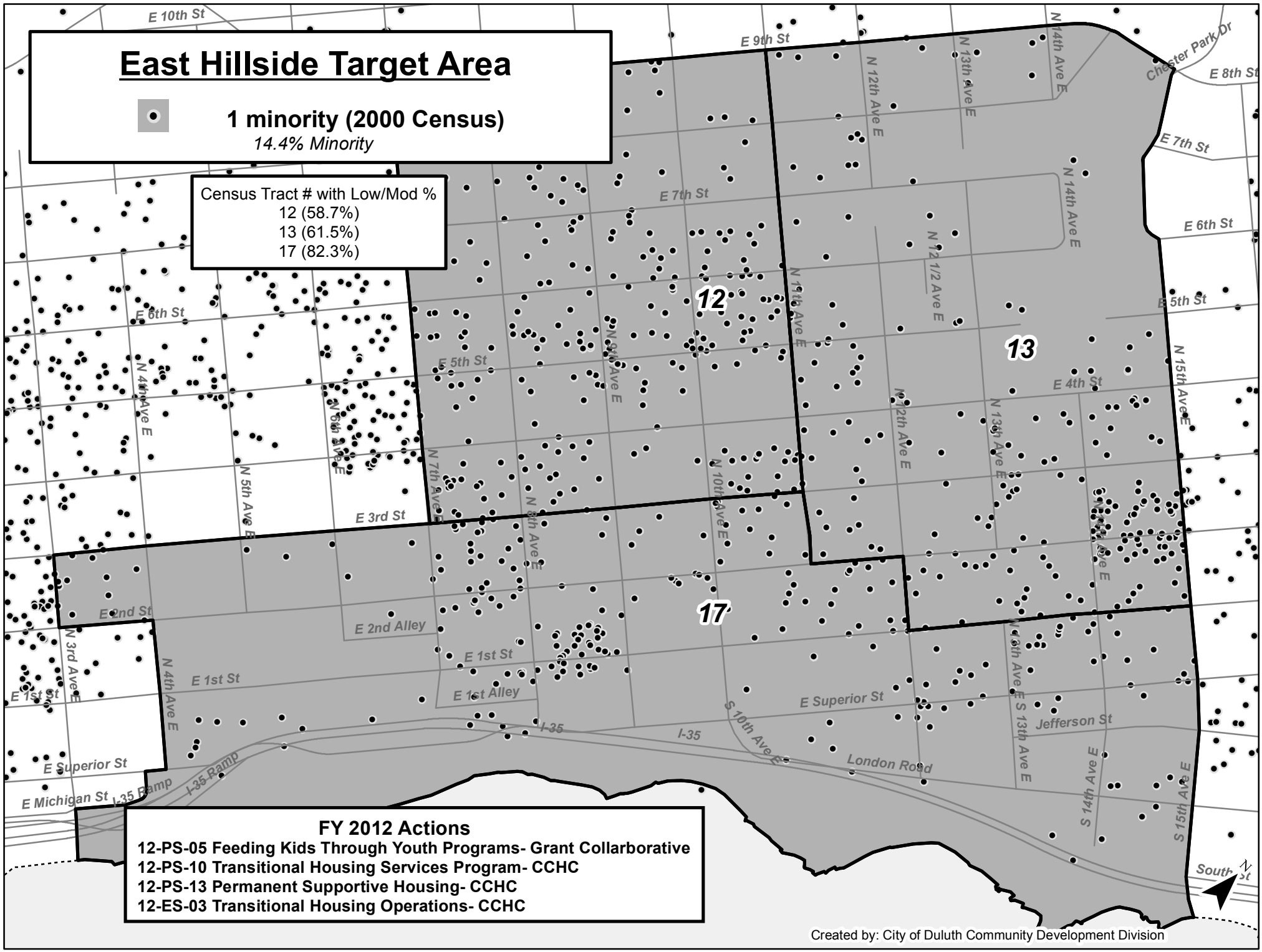
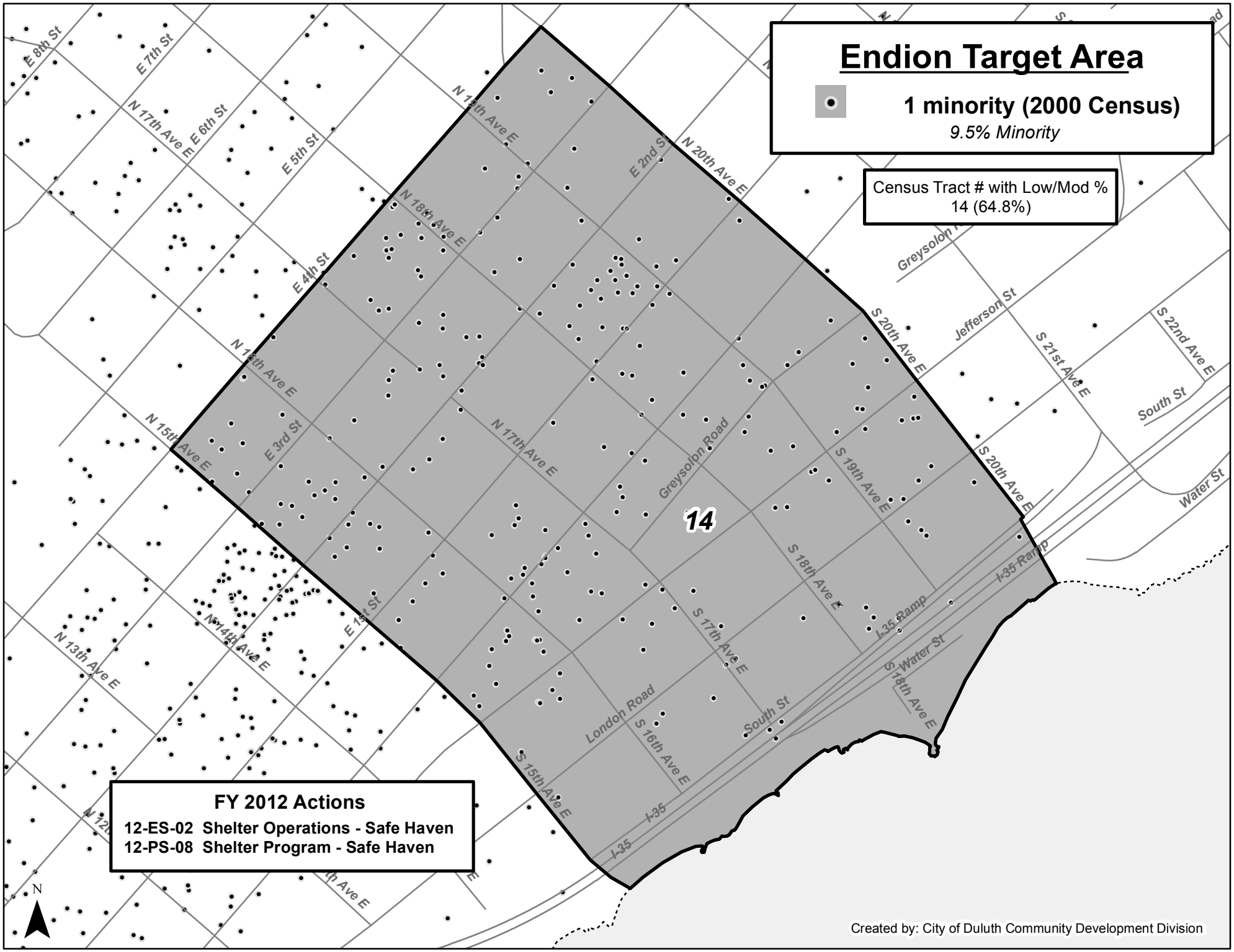
Community Development Division


East Hillside Target Area
1 minority (2000 Census)
14.4% Minority
Census Tract # with Low/Mod %
12 (58.7%)
13 (61.5%)
17 (82.3%)
12
13
17
E 10th St
E 9th St
E 8th St
E 7th St
E 6th St
E 5th St
E 4th St
E 3rd St
E 2nd St
E 2nd Alley
E 1st St
E 1st Alley
E Superior St
E Michigan St
Chester Park Dr
N 14th Ave E
N 13th Ave E
N 12th Ave E
N 12 1/2 Ave E
N 11th Ave E
N 10th Ave E
N 9th Ave E
N 8th Ave E
N 7th Ave E
N 6th Ave E
N 5th Ave E
N 4th Ave E
N 3rd Ave E
N 15th Ave E
S 10th Ave E
S 13th Ave E
S 14th Ave E
S 15th Ave E
Jefferson St
London Road
I-35
I-35 Ramp
South St
N
FY 2012 Actions
12-PS-05 Feeding Kids Through Youth Programs- Grant Collarborative
12-PS-10 Transitional Housing Services Program- CCHC
12-PS-13 Permanent Supportive Housing- CCHC
12-ES-03 Transitional Housing Operations- CCHC
Created by: City of Duluth Community Development Division


Endion Target Area
1 minority (2000 Census)
9.5% Minority
Census Tract # with Low/Mod %
14 (64.8%)
14
FY 2012 Actions
12-ES-02 Shelter Operations - Safe Haven
12-PS-08 Shelter Program - Safe Haven
E 8th St
E 7th St
N 17th Ave E
E 6th St
E 5th St
E 4th St
N 19th Ave E
N 18th Ave E
N 16th Ave E
N 15th Ave E
E 3rd St
E 2nd St
N 20th Ave E
N 17th Ave E
Greysolon Road
S 20th Ave E
S 19th Ave E
S 18th Ave E
S 17th Ave E
S 16th Ave E
S 15th Ave E
Jefferson St
S 21st Ave E
S 22nd Ave E
South St
Water St
I-35 Ramp
I-35
London Road
N 14th Ave E
N 13th Ave E
N
Created by: City of Duluth Community Development Division

Outreach Initiatives to Include Underserved Populations in Target Areas

During 2012, the Community Development Division worked to increase participation of under-served populations through enhanced outreach. Listed below is a summary of the activities.

1. The Community Development program meeting dates and important steps in the Consolidated Plan development process were advertised and reported on in the Hillsider, which is a free local paper that is delivered to all homes in the Central Hillside, East Hillside, Endion and Lincoln Park areas. The meetings were also advertised in the Duluth News-Tribune and on the City website. Under-served populations have access to the website through free computer use at the Duluth Public Library and its two branch locations and at the Community Action Duluth facility.

2. Held two neighborhood forums on Community Development and Housing needs. The forums were conducted on May 22 (Harrison Community Recreation Center) and on May 24 (Grant Recreation Center). The neighborhood forums were geared to making the hearings less intimidating to individuals.

3. Held an on-line forum from May 14 to 25. During this time, different questions about housing, economic development, public facilities and services were asked. The responses from this on-line forum and responses from the neighborhood forums were posted on the website.

4. The Duluth Community Development Division is a core group partner of the "Creating Neighborhoods That Work At Home in Duluth." This partnership has provided several venues for outreach to under-served populations in target areas. The meetings were promoted and attended by these partners include LISC, One Roof, and CHUM.

Summary of Citizen Comments

Consistent with federal regulations, the City of Duluth conducted a 15-day public comment period on the 2012 Consolidated Annual Performance and Evaluation Report. The comment period was June 14 - 28, 2013. This was advertised in the Duluth News-Tribune, and announced at City Council and community meetings. The announcement was also placed on the Community Access Channel calendar of events and the City's web site. Copies of the document were available to the public at the Community Development office, the City Clerk's office, the Duluth Public Library and all branch libraries and on the City's website. The Community Development Committee also held a public hearing on the CAPER and activity performance towards Consolidated Plan goals on June 26, 2013.

The following correspondence was received during the 15-day public comment period:

- There were no comments received during the 15-day public comment period. Need to be filled in after June 26, 2012.

Response:

None required.

The following is the public hearing and comment period ad and meeting summary of the Community Development Committee.

2012 CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT (CAPER) ADDENDUM

1. 2012 Summary of Activities Report (GPR) - C04PR03
2. Summary of Accomplishments Report – CO4PR08, CO4PR10 and CO4PR23
3. Financial Summary (4949.3) C04PR26
4. 2012 Status of HOME Activities Report - C04PR 22
5. Status of 2012 HOME Grants Report - C04PR27
6. Status of 2012 Community Housing Development Organization Funds by Fiscal Year Report - C04PR25
7. HUD 40107-A Match Report on HOME Funds – CO4PR33
8. Consolidated Annual Performance and Evaluation Report (CAPER) - C04PR06
9. Program Income (WKS) C04PR09
10. CDBG Performance Measurement Report – CO4PR83
11. HOME Housing Performance Report – CO4PR85
12. HRA Onsite Inspection Report
13. ESG Financial Summary Report-CO4PR91

Copies of these reports are available for viewing at the Community Development office