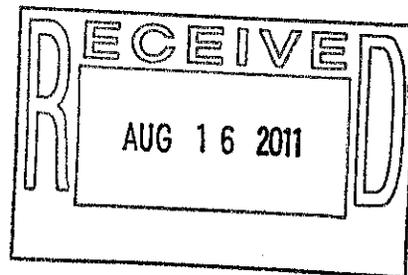




U.S. Department of Housing and Urban Development

Minneapolis Field Office
920 Second Avenue South, Suite 1300
Minneapolis, Minnesota 55402

AUG 12 2011



Honorable Don Ness
Mayor of Duluth
403 City Hall
Duluth, MN 55802

Dear Mayor Ness:

SUBJECT: Consolidated Plan End-of-Year Review
2010 Program Year
Duluth, Minnesota

HUD is required to conduct an annual review of performance by grant recipients. This is to report to you the results of our review. Additionally, the Secretary must determine that the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

Report

This review is based upon the information we received during the City's 2010 program year April 1, 2010 through March 31, 2011. We congratulate you on your many accomplishments during this past year and on the achievement of Departmental Objectives.

- ✓ Timeliness in the CDBG program was at an acceptable rate of 1.06 grant years;
- ✓ 100% of the 2009 HOME funds had been committed within the 24 month time frame;
- ✓ 100% of the 2005 HOME funds had been expended with the 5 year time frame;
- ✓ 100% of the 2009 ESG funds had been spent within the 24 month time frame;
- ✓ According to the CAPER the following occurred during the 2010 program year:
 - 9 public services assisted over 27,000 low- and moderate-income persons in the City. Public services included youth services, fair housing counseling, health services, and other public service activities;
 - 41 permanent jobs for low- and moderate-income persons were created;
 - 10 micro enterprises were assisted;
 - No multi-family units and 18 single-family homes were rehabilitated in the program year;
 - 1 family received assistance through IDAs to purchase a home;
 - 62 homes received weatherization assistance;

- HOME and CDBG funds were used to rehabilitate houses allowing low-income families to become homeowners;
- 11 households received tenant based rental assistance; and
- Over 1,500 homeless persons were provided assistance through shelters, transitional housing and drop in shelters that received ESG funds.

Background Information

HUD's Office of Community Planning and Development has sought to establish partnerships with State and local governments. The focus of our partnership has been to work with communities to ensure that our joint efforts result in housing and community development programs and policies that benefit and serve low and moderate-income persons. These efforts occur within the framework of the statutes we administer and the regulations and policies that are designed to improve program performance.

The provisions of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require the annual submission of performance reports by grant recipients receiving federal assistance through programs covered under these Acts. Additionally, these Acts require that a determination be made by the Secretary, that the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

With the implementation of the Consolidated Planning Regulations of January 5, 1995, the Department began making comprehensive performance reviews of grantees overall progress at least annually, as required by the statutes and section 91.525 of the regulations. The review consists of analyzing the consolidated planning process; reviewing management of funds; determining the progress made in carrying out policies and programs; determining the compliance of funded activities with statutory and regulatory requirements; determining the accuracy of required performance reports; as well as evaluating accomplishments in meeting key Departmental objectives.

This assessment not only meets the mandates of the statutes, but it also provides a basis for working together collaboratively to help grantees achieve housing and community development goals. One critical outcome of this collaboration should be the development of a more comprehensive, effective, and concise Consolidated Plan and improved performance in achieving specific goals that correspond to the activities outlined in your forthcoming Action Plan.

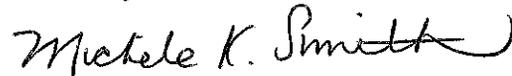
Public Access

This Report must be made readily available to the public within 30 days of receipt of your comments. There are several ways the report can be made available to the public. You can assist us in this regard by sharing HUD's report with the media; with members of your advisory committee; or with those who attended hearings or meetings, placing it on your web site or distributing it through a LISTSERV. HUD will make this information available to the public upon request and may provide copies of future reports to interested citizens and groups.

Conclusion

As a result of our analysis, we have determined that your overall progress is satisfactory and that the City has the continuing capacity to implement these programs. If there are any questions please do not hesitate to contact Cindy Behnke, Sr. CPD Representative, at (612) 370-3019, ext. 2101.

Sincerely,



Michele K. Smith, Director
Office of Community Planning and Development

Dexter J. Sidney, Field Office Director

cc: Keith Hamre, Manager, CD & Housing Division
407 City Hall
Duluth, MN 55802