

Council Agenda Item 25-0491R



MEETING DATE: June 16, 2025

SUBJECT/TITLE: RESOLUTION AUTHORIZING A DECREASE OF \$9,087 IN COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR THE 2025 PROGRAM YEAR.

SUBMITTED BY: Ben VanTassel, Planning & Economic Development Department Director

RECOMMENDATION: Approve.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: The Community Development (CD) Committee finalized their funding recommendations for the FY 2025 HUD Program on December 3, 2024 and this resolution reflects the recommendations of the CD Committee.

PREVIOUS COUNCIL ACTION: January 27, 2025 – City Council passed Resolution 25-0066R authorizing a request for Community Development Block Grant Funds for the 2025 Program Year and authorized agreements with appropriate agencies. This resolution revises those funding amounts to align with the city's final funding allocation.

BACKGROUND: The City of Duluth is an entitlement community and receives CDBG funds from the U.S. Department of Housing and Urban Development (HUD) to improve the community for people with low and moderate incomes by providing services, housing and economic opportunity and addressing blight. The City is required to conduct a public process and submit an action plan to HUD outlining how the funds are to be used in a timely manner. In order to meet HUD's timelines, the City establishes initial funding awards based on funding estimates and then revises those amounts when the final allocations are announced.

The CD Committee is the body that oversees the public process and provides recommendations on funding. As part that process, on December 3, 2024 the CD Committee finalized funding recommendations, which included a contingency plan if more or less funds were awarded from HUD. On May 14, 2025 HUD sent the final allocation amount to the City of Duluth with a final CDBG allocation of \$2,341,913, which was \$9,087 less than anticipated. This resolution reflects the changes in funding amounts based upon the CD Committee's contingency plan.

BUDGET/FISCAL IMPACT: Council authorizes the distribution of 2025 Community Development Block Grant Funds for the projects identified in the resolution.

OPTIONS: Authorize the awards and contract or forego authorization and withhold funding awards to projects.

NECESSARY ACTION: Authorize the award amounts and contracts.

ATTACHMENTS: Attachment 1