

Council Agenda Item 25-0492R



MEETING DATE: June 16, 2025

SUBJECT/TITLE: RESOLUTION AUTHORIZING FUNDING ALLOCATION CHANGES AND FINALIZING THE 2025 ANNUAL ACTION PLAN AND AUTHORIZING A REQUEST FOR THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP PROGRAM, AND EMERGENCY SOLUTIONS GRANT PROGRAM FUNDS.

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 which included the final funding amounts for the Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) 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 25-0065R authorizing a request for the 2025 Annual Action Plan and authorizing the funding amounts for the 2025 CDBG, HOME, and ESG Programs. 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 receive funds from the U.S. Department of Housing and Urban Development (HUD) for the CDBG, HOME, and ESG programs. 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 amounts to the City of Duluth for the CDBG, HOME and ESG programs. This resolution reflects the final amounts, which includes a \$9,087 decrease in CDBG, a \$20,106.07 increase in HOME, and a \$245 decrease in ESG, for an overall increase of \$10,774.07 the changes in funding amounts based upon the CD Committee's contingency plan.

BUDGET/FISCAL IMPACT: Council authorizes the distribution of 2025 HUD Grant Funds.

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

NECESSARY ACTION: Authorize the award amounts and contracts.

ATTACHMENTS: None.