



**U.S. Department of Housing and Urban Development**

Minneapolis Field Office  
920 Second Avenue South, Suite 1300  
Minneapolis, Minnesota 55402-4012

August 7, 2017

Mayor Emily Larson  
City Hall, Room 403  
411 West First Street  
Duluth, MN 55802



Dear Mayor Larson:

SUBJECT: End-of-Year Review  
Program Year 2016  
City of Duluth

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 concerning the City's 2016 program year of April 1, 2016 through May 31, 2017. We congratulate you on your many accomplishments during this past year on the achievement of Departmental Objectives. Enclosed is a report showing the City's use of HOME Investment Partnerships Program (HOME), Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funds during this reporting period. Some specific accomplishments during the year included:

- The City's funds were expended in a timely manner
- The City complied with the CDBG public services and administration expenditure limits
- Ninety-eight percent of funds were spent for programs serving low and moderate-income persons
- CDBG funds were used to assist at least 170 extremely low, low or moderate-income people with either with the rehabilitation or through rental assistance
- At least 22,010 low and moderate-income persons, including seniors, benefited from public services activities
- HOME assisted 188 extremely low and low income households with either homebuyer assistance, owner occupied rehabilitation, rental rehabilitation or through rental assistance

- ESG assisted 20 extremely low income households with tenant based rental assistance, 1856 overnight shelter to homeless persons and assisted 172 people with homelessness prevention.

### **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 grantee's 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**

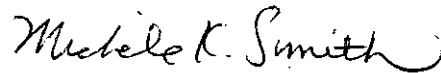
As a result of our analysis, we have determined that your overall progress is satisfactory and that the City has the continuing capacity to implement these programs.

If there are any questions please do not hesitate to contact Lori Speckmeier, CPD Representative, at (612) 843-6460, or at [Lori.J.Speckmeier@hud.gov](mailto:Lori.J.Speckmeier@hud.gov).

Sincerely,



Marcia A. Kolb, Director  
Office of Community Planning and Development



Michele K. Smith, Director  
HUD Minneapolis Field Office

Enclosures

cc: Mr. Keith Hamre  
411 West First Street  
Duluth, MN 55802