

Council Agenda Item 25-0488R



MEETING DATE: June 16, 2025

SUBJECT/TITLE: RESOLUTION AUTHORIZING AN INCREASE OF \$20,106.07 FY 2025 HOME INVESTMENT PARTNERSHIP PROGRAM.

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 25-0067R authorizing a request for HOME Investment Partnership Program (HOME) 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 HOME funds from the U.S. Department of Housing and Urban Development (HUD) to create and preserve affordable rental and owner-occupied housing for low-income families. 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 HOME allocation of \$520,105.07 which was \$20,106.07 more 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 HOME 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