

**2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
AFFORDABLE HOUSING AGREEMENT
HOUSING & REDEVELOPMENT AUTHORITY (HRA) OF DULUTH
FIRST AMENDMENT**

THIS FIRST AMENDMENT TO 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AGREEMENT, effective as of the date attestation, by and between the City of Duluth (the City), and the Housing & Redevelopment Authority of Duluth, DUNS No. 10351005, ("Agency").

WHEREAS, the City has received U.S. Department of Housing and Urban Development ("HUD") funds under the Community Development Block Grant ("CDBG") Program (CFDA 14.218), awarded, September 2, 2020 with Federal Award Number B-20-MC-27-0002; and

WHEREAS, the primary objective of the CDBG Program is the development of viable urban communities, including decent housing and a suitable living environment and expanding economic opportunities principally for persons of low and moderate income; and

WHEREAS, the City established the HRA Affordable Housing Redevelopment Project (the "Project") pursuant to Resolution 20-0074R approved January 27, 2020; and

WHEREAS, the City entered into agreement for services to implement the above referenced project on February 4, 2021, contract number 24060; and

WHEREAS, the City authorized an increase of \$373,000 in leveraged funds from the CDBG Revolving Loan Fund as reflected in Exhibit A, to support the HRA Affordable Housing Redevelopment Project pursuant to Resolution 22-00081R approved January 24, 2022; and

WHEREAS, the City desires to enter into a first amendment to the agreement.

NOW, THEREFORE, the City and the Agency do mutually agree as follows:

1. Use of Grant Funds

The Agency shall implement/administer the Project in accordance with the Scope of Services and the Project Budget attached as Exhibit A, and as outlined in the Agency's funding proposal on file in the City's Planning and Development Division (the "Division"). Assistance under the Project shall be targeted to those individuals / families meeting the most current HUD regulations and guidelines for assistance to low- and moderate-income individuals. The Agency shall use

HUD's current income guidelines (Exhibit B) when determining whether assistance shall be provided under the terms of this Agreement. Documentation of income shall be the IRS Form 1040 method as prescribed by HUD in 24 CFR 570.609. Agency agrees that CDBG funds shall only be used to provide services to residents of the City of Duluth, Minnesota.

In the event a mortgage lien is executed by a property owner under the Project, upon execution of such mortgage lien, the Agency agrees to immediately record the mortgage lien with a Notice of Foreclosure in the office of the St. Louis County Recorder and pay all costs associated therewith. The Agency shall keep written reports regarding mortgage liens that have been recorded by the Agency pursuant to this Agreement. Subordination of any mortgage lien taken under the Project to a subsequent lien must be approved in writing by the City of Duluth Manager of the Planning and Development Division (the "Manager").

The purchase of any real or personal property under this Agreement is subject to the approval of the Manager. Any equipment purchase is subject to purchasing requirements under the applicable federal circular as referred to under Documents to be Incorporated, as well as biannual inventories, which must be performed until such time as Agency disposes of said equipment, which disposal requires prior written consent of the Manager.

2. Documents to be Incorporated

The parties agree that the following documents, as may be amended from time to time, are incorporated by reference and made a part of this Agreement as if fully set forth herein:

- A. Scope of Services and Project Budget (Exhibit A). In the event of a conflict between Exhibit A and the above proposal, Exhibit A shall be deemed governing;
- B. 24 CFR Parts 84, 85, and 570;
- C. 24 CFR Part 200
- D. Part II - Supplementary General Conditions for federally and/or city assisted activities. In the event of a conflict between the terms and provisions of this Agreement and "Part II, Supplementary General Conditions," the terms and conditions of this Agreement shall be deemed to be governing;
- E. HUD-4010 Federal Labor Standards Provisions
- F. FY 2020 Annual Action Plan;

G. City's Monitoring and Financial Policy.

3. Reimbursement of Expenses

For implementation of the Project, the City agrees to reimburse the Agency for eligible costs incurred by it in accordance with the Budget in an amount not to exceed four hundred five thousand dollars (\$405,000). Reimbursement under the provisions of this Agreement shall be limited to the line items shown in Exhibit A. Any increase or decrease of an individual line item in the Budget must have the prior written approval of the Manager and additional budget lines may not be added after the Project has begun operation without prior written approval of the Manager.

Requests for reimbursement shall be made no more frequently than twice per month and shall be made only for amounts over One Hundred Dollars (\$100.00) in the format as shown in Exhibit C. Requests for reimbursement shall be accompanied by such documentation as the City shall reasonably request. Upon receipt of said request and the appropriate documentation, the City shall promptly reimburse the Agency for the eligible costs up to the amount set forth above. Requests containing insufficient documentation as determined by the City must be revised within fifteen (15) calendar days of notice by City to the Agency of said insufficiency or Agency may forfeit the right to reimbursement of all items appearing in said request.

In the event the latest date to request reimbursement falls on a holiday or a weekend, then the Agency shall submit the request and documentation the following business day. The City will not reimburse the Agency for any cost incurred for which a request for reimbursement is not received by the City within fifteen (15) days of the expiration date of this Agreement or its termination. The City shall withhold reimbursements of costs if the Agency has not submitted programmatic reports which are approved by the Manager or if the Agency is not in compliance with the terms of any other Planning and Economic Development agreement. No final payment shall be made pursuant to this Agreement until such time as the final programmatic report is submitted and approved by the Manager. The requirements of this paragraph may be waived by the Manager in writing. All reimbursement payments shall be made from 2020 Federal Program Fund 262 - Community Development - Agency 020 – Object 5434 - Project Account No.CD20CD-HOUS-1734

4. Term

The term of this Agreement shall be deemed to have commenced on April 1, 2020, the date of this Agreement notwithstanding, and shall continue through

December 31, 2022, unless terminated earlier as provided for herein. Notwithstanding the above, the term of this Agreement may be extended for a period not to exceed twelve (12) months upon prior written approval of the Manager. Within fifteen (15) days following the expiration of the term of the Agreement, or its termination, the Agency's right to seek reimbursement may cease. In the event the term of the Agreement or its termination falls on a holiday or a weekend, then the Agency shall submit documentation the following business day. Any unexpended balance remaining at the expiration of the term of the Agreement may be reprogrammed. No activity may begin before the environmental review clearance date.

5. Programmatic Reports

The Agency shall submit statistical and narrative reports on a quarterly basis and at such time as a final request for reimbursement is submitted. All statistical and narrative reports shall be submitted in the form approved by the Manager. Quarterly reports must be submitted throughout the term of this Agreement, whether or not activity occurs or funds are disbursed in a given quarter. Programmatic reports and requests for reimbursement shall be submitted to the Manager on the following dates:

<u>Performance Period</u>	<u>Due Date</u>
April 1, 2020-June 30, 2020	July 15, 2020
July 1, 2020-September 30, 2020	October 15, 2020
Oct 1, 2020- December 31, 2020	January 15, 2021
Jan 1, 2021- March 31, 2021	April 15, 2021
April 1, 2021-June 30, 2021	July 15, 2021
July 1, 2021- September 30, 2021	October 15, 2021
Oct 1, 2021- December 31, 2021	January 15, 2022

In the event the due date to submit programmatic reports and reimbursement requests falls on a holiday or a weekend, Agency shall submit reports the following business day. A programmatic report shall be submitted to the Manager within fifteen (15) days of the last Project activity.

No final payment shall be made pursuant to this Agreement until all final program reports have been submitted and approved. Should an Agency fail to submit final programmatic reports, any current and future Planning and Economic Development contract activities shall be deemed inactive until such time as the final program reports are submitted by the Agency and approved by the Manager.

6. Records and Inspections

A. Records

1. Establishment, Maintenance and Inspection of Records

Records shall be maintained by the Agency in accordance with requirements prescribed by HUD and City with respect to all matters covered by this Agreement. Such records shall be maintained for a period of six (6) years after receipt of final payment under this Agreement. Notwithstanding the above, where a longer period is prescribed by HUD, then such longer period shall apply.

2. Source Documentation

Any and all documentation relating to eligible costs paid by Agency for which a request for reimbursement is being made shall be clearly identified and readily accessible to authorized representatives of the City or HUD upon written notification by same to Agency. The Agency shall ensure that all eligible costs are supported by properly executed payrolls, time records, invoices, contracts, vouchers or other documentation evidencing in proper detail the nature and propriety of the charges.

3. Additional Reports and Records

The Agency shall be responsible for furnishing to HUD or the City such statements, records, data and information as HUD or the City may request pertaining to matters covered by this Agreement, including HUD's grantee Consolidated Annual Performance and Evaluation Report.

4. Audits and Inspections

The Agency shall ensure that at any time during normal business hours and as often as City, HUD, the Comptroller General of the United States, the Legislative Auditor and/or the State Auditor may deem necessary, there shall be made available to City, HUD, representatives of the Comptroller General, the Legislative Auditor and/or the State Auditor for examination, all of its records with respect to all matters covered by this Agreement.

The Agency will also permit City, HUD, representatives of the Comptroller General, the Legislative Auditor and/or the State Auditor to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment,

and other data relating to matters covered by this Agreement.

B. Independent Audit

The Agency shall submit to the City a Single Audit within nine (9) months of the end of its fiscal year if the Agency expends \$750,000 or more from all federal funding sources, including monies expended under this Agreement, during the Agency's fiscal year. If the Agency expends less than \$750,000 from all federal funding sources, including monies expended under this Agreement, during the Agency's fiscal year, the Agency shall submit to the City a financial statement audit conducted in accordance with all effective auditing standards, including the management letter, within nine (9) months of the end of its fiscal year.

7. Program Income

Program income as defined in 24 CFR 570.500(a) shall be reported and paid to the City upon its receipt in a form and time frame as determined by the Manager. Any program income on hand when this Agreement expires, or received after the expiration of this Agreement, shall be promptly paid to the City as required by 24 CFR 570.503(b)(8).

8. Environmental Review

The purpose of this Agreement is to fund those activities specified in Exhibit A. A tiered Environmental Clearance will be utilized for the general program activities under the description provided in Exhibit A. For purposes of this agreement, a Tier 1 clearance has been granted for the Agreement. For specific activities under this Agreement, a Tier 2 Environmental Clearance shall be obtained from the City prior to initiating any activities under Exhibit A.

9. Publicity Requirements

In any materials made public with regard to the Project, the Agency agrees to include reference to the assistance provided pursuant to this Agreement by City.

10. Affirmative Marketing

The Agency shall be required to demonstrate that it, or an agent acting on its behalf, has made good-faith efforts to attract eligible persons from all racial and ethnic groups to the Project during the term of this Agreement. Prior to any funds being reimbursed under this Agreement, the Agency shall submit, and have approved by the Manager, an Affirmative Marketing Plan.

11. Homebuyer Education Requirement

The Agency shall ensure that Recipients purchasing homes have completed an approved homebuyer educational program. Notwithstanding the above, said requirement may be waived for a particular recipient upon the prior written approval of the Manager.

12. Independent Contractor and Indemnity

It is agreed that nothing contained herein is intended or shall be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto. The Agency's officers, agents, servants and employees shall not be considered employees of the City. Any and all claims which may or might arise on behalf of Agency's officers, agents, servants and employees while engaged in performing any work under this Agreement, or arising out of employment, including, without limitation, the Workers' Compensation Act of the State of Minnesota and claims of discrimination, shall in no way be the responsibility of the City. The Agency's officers, servants and employees shall not be entitled to any compensation or right of benefits of any kind whatsoever for leave or vacation pay, Workers' Compensation, Unemployment Insurance, disability pay or severance pay from the City. Furthermore, the Agency agrees to defend, indemnify and save harmless the City and its officers, agents, servants and employees from any and all claims, actions, demands, suits, losses, judgments, costs, expenses and damages, direct and indirect, incidental and consequential, including but not limited to attorneys' fees, asserted by any person(s) including agents or employees of the City or the Agency, arising out of or resulting from any actual or alleged act or omission of the Agency, its officers, agents, servants or employees in connection with or relating to the performance of service under this Agreement. On ten (10) days' written notice from City, the Agency shall appear and defend all lawsuits against the City growing out of such injuries or damages.

13. Termination and Remedies

A. Termination

The City may terminate this Agreement without cause upon thirty (30) days' written notice to the Agency. The City may also terminate this Agreement for cause upon written notice to the Agency specifying the cause for termination, any period for cure by the Agency, and the date of termination. In the event of termination, all property acquired with funds furnished by the City and finished or unfinished documents, data, studies and reports purchased or prepared by the Agency under this Agreement shall be disposed of in accordance with the City's directives and in accordance with applicable laws and regulations. The Agency shall be entitled to compensation for performance of any unreimbursed services

satisfactorily performed under this Agreement prior to the termination date. Notwithstanding the above, the City may, after giving notice of termination for cause, withhold, without penalty or interest, any payment due under this or any other agreement between the Agency and the City, until there is a cure by the Agency, a waiver by the City, or the Agreement is terminated.

Further, the Agency shall not be relieved of the liability to the City for damages sustained by the City by virtue of any breach of this Agreement by the Agency, and the City may withhold any reimbursement to the Agency on this and other agreements between the Agency and the City for the purpose of set-off until such time as the exact amount of damages due the City from the Agency can be determined. For the purposes of this Agreement, cause shall include any of the following:

1. Failure, for any reason, of the Agency to fulfill any of its obligations under this Agreement, or any other agreement between the Agency and the City.
2. The making of any arrangement with or for the benefit of Agency's creditors involving an assignment to a trustee, receiver or similar fiduciary; or the written admission by the Agency that it is bankrupt; or filing by the Agency of a voluntary petition under the Federal Bankruptcy Act; or the filing of an involuntary petition under the Federal Bankruptcy Act against the Agency unless dismissed within forty-five (45) days.
3. Failure to submit complete programmatic reports on the dates set forth herein.
4. Submission by the Agency to the City of programmatic reports, audits or requests for payment that are untimely, incorrect or incomplete in any material respect.
5. Ineffective or improper use of funds provided under this Agreement.
6. Suspension or termination by HUD of the CDBG grant to the City under which this Agreement is funded.
7. No activity under this Agreement, either programmatically or payments made, for six (6) months after the commencement of this Agreement.
8. Noncompliance with all laws, ordinances, rules, regulations,

Executive Orders, directives and codes of the United States of America, State of Minnesota and the City and their respective agencies which are now or later become applicable to its activities under this Agreement, including, but not limited to, all applicable regulations of HUD.

9. Payment of fees to solicit or secure this Agreement contingent upon or resulting from the award or making this Agreement.
10. Failure to complete all work on the Project as provided for herein.
11. Failure to file Mortgage Liens or Notices of Foreclosure provided for herein.

B. City's Rights Upon Termination for Cause

In the event of termination for cause, City shall have the right to avail itself of the following remedies; said remedies shall not be deemed to be mutually exclusive:

1. Demand immediate and full repayment of the amount granted to Agency pursuant to this Agreement.
2. Seek injunctive relief to enforce the terms and conditions of this Agreement.
3. Seek such other relief as may be available to City at law or in equity.
4. Foreclosure or enforce the lien imposed by this Agreement upon the properties in the full amount of the grant or loan given the property owner through the Agency under this Agreement.

C. Attorneys' Fees

In the event that the Agreement is terminated for cause, City shall be entitled to reasonable attorneys' fees and costs incurred in enforcing the terms and conditions of this Agreement.

D. Nonwaiver

Any forbearance by the City with respect to any of the terms and conditions of this Agreement in no way constitutes a waiver of City's rights or privileges granted hereunder.

14. Subcontractors/Assignability

The Agency shall not make any assignment of this Agreement or subcontract with any other party without the prior written consent of the Manager; provided, however, that claims for money due or to become due to the Agency from the City under this Agreement may be assigned to any bank without such approval. Notice of any such assignment shall be furnished promptly to the City. The Manager hereby consents to the Agency subcontracting with subcontractor(s) selected pursuant to competitive bidding process who are performing the rehabilitation work. Consent by the Manager to subcontract, assign or otherwise dispose of any portion of this Agreement shall not relieve the Agency of any of the responsibility for fulfillment of this Agreement.

15. Debarment

The Agency shall provide a certification that no contractor or material suppliers providing labor or materials for the Project nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation from any covered transaction.

16. Covenant Against Contingent Fees

The Agency warrants that it has not employed or retained any company or person to solicit or secure this Agreement, and that they have not paid or agreed to pay any company or person any fee commission percentage, brokerage fee, gift or other consideration, contingent upon or resulting from the award or making this Agreement. For breach of this warranty, the City shall have the right to annul this Agreement without liability.

17. Interests of Public Officials

No public official shall receive any benefit under this contract, including members or delegates of the Congress of the United States (Congress), the Minnesota Legislature, the Duluth City Council, or other federal, state or local official. The Agency shall comply with the Federal and local Conflict of Interest policy.

18. Notices

Notices to the City provided for herein shall be sufficient if sent by regular United States Mail, postage prepaid, addressed to the City Planning and Development Manager, Room 160 City Hall, Duluth, Minnesota 55802; and notices to the Agency if sent by regular United States Mail, postage prepaid, addressed to: Housing and Redevelopment Authority of Duluth, 222 East 2nd Street, Duluth, MN 55805, or to such other respective persons or addresses as the parties may designate to each other in writing from time to time.

19. Nondiscrimination and Equal Opportunity

Agency hereby agrees that in the provision of the services described in the Project, it will comply with all nondiscrimination and equal opportunity requirements of 24 CFR Part 5, 24 CFR 576.57, and the Minnesota Human Rights Act.

20. Drug and Alcohol Free Policy

Agency acknowledges that it is responsible to develop a policy designed to ensure that facilities with regard to which grant funds are expended are free from the illegal use, possession or distribution of drugs or alcohol by persons working at or using those facilities.

21. Applicable Law

This Agreement, together with all of its paragraphs, terms and provisions, is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

22. Waiver

Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision.

23. Severability

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

24. No Third-Party Rights

This Agreement is to be construed and understood solely as an Agreement between the Agency and the City and shall not be deemed to create any rights in any other person. No person shall have the right to make claim that she or he is a third-party beneficiary of this Agreement or of any of the terms and conditions hereof, which, as between the City and the Agency, may be waived at any time by mutual agreement between the City and the Agency.

25. Amendments

Any amendments to this Agreement shall be in writing and shall be executed by the same parties who executed the original Agreement or their successors in office.

26. Entire Agreement

This Agreement, including all exhibits and documents incorporated by reference, constitutes the entire Agreement between parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereof.

27. Authority to Execute Agreement

The Agency represents to the City that the execution of this Agreement has been duly and fully authorized by its governing body or board, that the officers of the Agency who executed this Agreement on its behalf are fully authorized to do so, and that this Agreement when thus executed by said officers of the Agency on its behalf will constitute and be the binding obligation and agreement of the Agency in accordance with the terms and conditions hereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date first shown above.

CITY OF DULUTH

AGENCY

By _____

Mayor

Date _____

Attest:

By _____

Its _____

Agency/ Federal (IRS)
Taxpayer Identification Number

City Clerk

Countersigned:

City Auditor

Approved as to form:

City Attorney

Exhibit A

NAME OF SUBAWARD: HRA Affordable Housing Redevelopment 2020

Project #: 20-HS-03

DUNS: 10351005

Federal Grant No.: B-20-MC-27-0002

Federal Award Date: September 2, 2020

SCOPE OF WORK: The HRA Affordable Housing Redevelopment Project will provide loans and grants for housing rehabilitation and emergency repairs of single-family, owner occupied homes. The rental rehabilitation uses an ongoing revolving loan fund (RLF) started with past CDBG awards that provides loans at 2% for multi-family rental units for the unit work. This work includes application intake, scope of work, development and construction inspections.

In addition, the HRA will provide Specific Housing Services to the City, which include:

1. Monitoring units for compliance with the HOME regulations
2. Performing Lead risk assessments for CDBG grant participants
3. Maintain compliance with properties that previously have received HRA Loans (including Revolving Loan Fund).
4. Perform special projects request by the Manager of Planning and Development
5. Advertising

GOAL: 50 Single and Multifamily units will be rehabilitated.

CONTRACT BUDGET: \$405,000 – HRA Rehab Program Services

LEVERAGED FUNDS: Leveraged funds represent additional rehab programs funded under separate contracts. Leverage as part of this Exhibit A shall not exceed ~~\$598,000~~ ~~\$225,000~~ in Revolving Loan Funds. Revolving Loan funds require prior approval of the address and scope of work by the Planning and Development Manager.

OUTCOMES: 50 units will sustain affordable housing through property rehabilitation, creating decent and safe units for tenants.

DISBURSEMENT: Funds may be requested monthly by the HRA, as long as

HRA provides City Staff that the Scope of Work is being met. Specifically, by:

1. Sending the HRA tracking form showing the number units in the rehab program to Staff by the 15th of each month.
2. Providing a narrative that explains what Specific Services were provided in that period.
3. Funding will be allocated in the follow manner:
 - a. \$135,000 will be designated for unit rehab, therefore \$4500 will be paid for every unit has begun rehab work and has environmental clearance.
 - b. \$270,000 will be designated for Specific Housing Services. These funds will be paid as requested, as long as the narrative describes the tasks involved in accomplishing the task.

**ENVIRONMENTAL
CLEARANCE DATE:** 4/15/20

Exhibit B HUD 2020 Income Guidelines



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802



218-730-5580



planning@duluthmn.gov

DATE: June 23, 2020

TO: All Agencies and Individuals participating in the City of Duluth HUD Community Development Block Grant (CDBG) funded projects and HOME Investment Partnership (HOME) funded homeownership projects.

FROM: Ben VanTassel, Manager

RE: 2020 CITY OF DULUTH HUD INCOME GUIDELINES

ANNUAL INCOME

FAMILY SIZE	EXTREMELY LOW-INCOME (30% of the Median)	VERY LOW-INCOME (50% of the Median)	LOW INCOME (80% of the Median)
1	\$16,150	\$26,900	\$43,050
2	\$18,450	\$30,750	\$49,200
3	\$20,750	\$34,600	\$55,350
4	\$23,050	\$38,400	\$61,450
5	\$24,900	\$41,500	\$66,400
6	\$26,750	\$44,550	\$71,300
7	\$28,600	\$47,650	\$76,200
8	\$30,450	\$50,700	\$81,150

Discontinue previous income guidelines and use the above guidelines until such time as they are revised again by HUD. Please note that the extremely low-income classifications may differ from Section 8 income levels.

Effective – July 01, 2020

www.duluthmn.gov

The City of Duluth is an Equal Opportunity Employer.

Exhibit C Form of Request – Reimbursements

Agency Letterhead

Date

Ben VanTassel
Community Planning Division
160 City Hall
Duluth, MN 55802

Program: 2020 (CDBG/HOME/ESG)

Project Name:

Contract #:
Contract
Term:
CD Project
#:

This is a request for reimbursement of costs totaling \$_____ for the period of *Month Day, Year* to *Month Day, Year*.

	Budget		Previous Requests		Current Request	Requests to Date	Balance	
Contract line item 1								
Contract line item 2								
TOTAL	\$	-	\$	-	\$ -	\$ -	\$	-

Total Requested:

\$ -

I certify that these costs have been incurred. Backup and documentation are enclosed.

Sincerely,

Name
Title

Exhibit D Form of Quarterly Report

CDBG Housing Demographic Reporting Form			
Subrecipient Name:		CDBG Project #:	
Contact Person:		Contract #:	
Email:		IDIS #:	
Contract Amount:			
Goal:			
Contract Year:		Fiscal Year 2020 (4/1/2020 - 12/31/2021)	
		Persons Served	Hispanic Ethnicity*
1. Total Number of Persons Served			
Persons Served by Race		0	0
2. White			
3. Black/African American			
4. Asian			
5. American Indian/Alaska Native			
6. Native Hawaiian/Pacific Islander			
7. American Indian/Alaska Native & White			
8. Asian & White			
9. Black/African American & White			
10. American Indian/Alaska Native & Black			
11. Other Multi-Racial (not identified above)			
<i>*Race must be identified for all Hispanic persons. Persons of Hispanic Ethnicity are a sub-set of Persons Served and should be counted in Persons Served column, as well.</i>			
Persons Served by Income		0	
12. Very Low Income (0% to 30%)			
13. Low Income (31% to 50%)			
14. Low-Moderate Income (51% to 80%)			
15. Non Low-Moderate Income (over 80%)			
16. Number of reasonable accommodation requests			
2018 Leveraged Funds (Other Sources) (Identify leverage funding sources below)		Leverage \$ Amount:	
Other Federal			
State/Local			
Private			
Other:			
Other:			
Total		\$0	
ACCOMPLISHMENTS NARRATIVE:			



Legislation Details (With Text)

File #:	20-0074R	Name:	
Type:	Resolution	Status:	Passed
File created:	1/17/2020	In control:	Planning and Economic Development
On agenda:	1/27/2020	Final action:	1/27/2020
Title:	RESOLUTION AUTHORIZING A REQUEST FOR HUD FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2020 PROGRAM YEAR, AUTHORIZING AGREEMENTS WITH APPROPRIATE AGENCIES.		

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment 1

Date	Ver.	Action By	Action	Result
1/27/2020	1	City Council	adopted	

RESOLUTION AUTHORIZING A REQUEST FOR HUD FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2020 PROGRAM YEAR, AUTHORIZING AGREEMENTS WITH APPROPRIATE AGENCIES.

CITY PROPOSAL:

WHEREAS, city council resolution no. 20-0073R, adopted January 27, 2020, approved the 2020-2024 Consolidated Plan which included the FY 2020 annual Action Plan; and

WHEREAS, the secretary of HUD is authorized to make grants to cities and/or counties to finance local community development programs, approved in accordance with the provisions of Title I of said Act, as well as grants under the Cranston-Gonzales National Affordable Housing Act of 1990, as amended, (the HOME program) and the Stewart B. McKinney Homeless Assistance Act of 1987, as amended (the Emergency Solutions Grant - ESG - program);

NOW, THEREFORE, BE IT RESOLVED, that the proper city officials are hereby authorized to make and submit appropriate documentation to HUD for those projects and corresponding funding levels as set forth below:

2020 CITY OF DULUTH COMMUNITY DEVELOPMENT BLOCK

GRANT (CDBG) PROGRAM-FUND 262, AGENCY 020, OBJECT 5434 PROJECT CD20CD

SUB

PROJECT

ACTIVITY

AMOUNT

PROJECTS

HOUSING PROJECTS

HOUS	1734	\$ 450,000	Duluth Property Rehab Prog. - HRA
HOUS	6915	\$ 275,000	Decker Dwellings-One Roof
HOUS	8825	\$ 60,000	Superior View & Pine Grove-

Accessible Space, Inc

HOUS	6787	\$ 100,000	Duluth Energy Efficiency Program - Ecolibrium3
HOUS	6787A	\$ 39,763	Specialized Improvement Program - Blight Reduction- Ecolibrium3
HOUS	6915	\$ 75,000	Duluth Lending Rehab- One Roof Community Housing
HOUS	6915A	\$120,000	Community Land Trust Acq-Rehab/ Resale - One Roof Community Housing

ECONOMIC DEVELOPMENT PROJECTS

ECDV	2412	\$ 272,000	Duluth at Work Collaborative - SOAR Career Solutions
ECDV	2264	\$ 78,000	Growing Neighborhood Businesses - Entrepreneur Fund

PUBLIC FACILITY IMPROVEMENT PROJECTS

PFAC	PF01	\$ 75,000	Chester Bowl Chalet Renovation- Chester Bowl Improvement Club
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PUBLIC SERVICE PROJECTS

PSVC	2511	\$ 20,000	Landlord Incentives Program- Salvation Army
PSVC	2805	\$ 39,000	JET Food Program- NYS
PSVC	1974	\$ 30,000	Basic Needs Youth Drop-In - Life House
PSVC	1291	\$ 20,000	Free Tax Site- Community Action Duluth
PSVC	6915	\$ 25,000	Tenant Landlord Connection - One Roof
PSVC	1291A	\$ 7,000	Seeds of Success Farmers Market- Community Action Duluth
PSVC	1244	\$ 80,000	Duluth Hunger Project- CHUM
PSVC	1244A	\$ 20,000	Children Services- Steve O'Neil Apt- CHUM

PSVC	2509	\$ 15,000	Safe Haven DV Shelter- Safe Haven
PSVC	1226	\$ 30,000	Family Supportive Housing - Center City
PSVC	2511	\$ 8,250	Family Transitional Housing- Salvation Army
PSVC	2109	\$ 9,150	Homeless Prevention/Rapid Rehousing MACV
PSVC	1244B	\$ 40,000	Emergency Shelter- CHUM
PSVC	1734	\$ 12,000	Coordinated Entry and Assessment

PLANNING/PROGRAM ADMINISTRATION

ADMC	AD01	\$ 475,041	CDBG Program Administration
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BE IT FURTHER RESOLVED, that the following are hereby designated as the financial resources for the above program:

SOURCE OF FUNDING

Year 2020	CDBG Grant - city	<u>\$2,375,204</u>
	Total	<u>\$2,375,204</u>

BE IT FURTHER RESOLVED, that the city of Duluth and its officials are authorized and directed to assume full responsibility for assuring that its community development program is carried out in full compliance with the provisions of the acts implementing the programs and all regulations of HUD issued pursuant thereto. This authorization shall also apply to existing programs with the city and HUD under the HUD CDBG, HOME and ESG programs.

BE IT FURTHER RESOLVED, that the appropriate city officials are authorized to execute the appropriate agreements with these agencies upon receipt of HUD funds.

BE IT FURTHER RESOLVED, that a contingency plan is hereby approved based on the recommendation of the community development committee on December 3, 2020, as follows: should there be a higher level of CDBG funding allocated to the city for FY 2020 than estimated, such funding shall be distributed proportionally to projects that were not recommended to receive full funding, up to 1% of the final allocation, and if less funding is allocated, all projects shall be reduced proportionally up to 1% of the final allocation. If the final allocated amount varies by more than 1% of the estimated amount then the community development committee shall reconvene and revise the funding recommendation and submit it to the city council.

STATEMENT OF PURPOSE: This resolution reflects the recommendations of the community development committee (CD committee) with concurrence of the planning and development manager. The CD committee solicited comments from organizations and citizens as related to the proposed FY 2020 funding for the Community Development Block Grant (CDBG). The recommendations contained in this resolution were developed based on consideration of citizen comments, the public hearing held on November 19th and on

December 3rd, 2019, and the deliberations of the CD committee. There was a 30-day public comment period from October 26, 2019, to November 25, 2019 on the 2020 annual action plan portion of the 2020-2024 consolidated plan, which also includes recommended funding for the 2020 CDBG, HOME and ESG programs. The CD committee held a public hearing on December 3, 2019, to hear comments on the funding recommendations and approved a contingency plan if the allocated funding was altered by more than 1%. The CD committee's recommendations were adopted on December 3, 2019, with the concurrence of the Planning and Development manager.

Source of Funds:

\$2,375,204 in new 2020 HUD CDBG Funds

The resolution, in addition to authorizing application for grant funds and administration of same when received, also takes the following actions:

- (a) Allocates funds by project for 2020 CDBG Program.
- (b) Authorizes contracts for the activities upon receipt of the funding contract and completion of the environmental review process. Housing contracts will include addendums that require affordability restrictions in accordance with HUD regulations.

HOUSING

20-HS-01

Project Name: Decker Dwellings- One Roof Community Housing

Project Summary: One Roof will build a 42-unit apartment building for LMI households.

Goal: 42 units of rental housing.

Amount Recommended: \$275,000

20-HS-02

Project Name: Superior View and Pine Grove Apartment Rehab

Project Summary: ASI will improve 49 units of accessible and affordable housing units by making improvements to the facility. All units are occupied by low income households.

Goal: 49 units of rental housing.

Amount Recommended: \$60,000

20-HS-03

Project Name: Duluth Property Rehabilitation Program - Housing & Redevelopment Authority of Duluth (HRA)

Project Summary: The HRA's Property Rehab Program will provide low interest and deferred loans for rehabilitation assistance to rental property owners within the city of Duluth. Homeowners can apply for up to \$25,000 in loans to address code deficiencies and lead paint hazards. Rental owners can apply for a 2% interest loan to renovate their properties, which then must serve low to moderate income tenants.

Goal: 50 units of rental housing. 100% LMI.

Amount Recommended: \$450,000

20-HS-04

Project Name: Duluth Energy Efficiency Program - Ecolibrium3

Project Summary: Ecolibrium3's Duluth Energy Efficiency Program reduces energy poverty of residents and improves the health of Duluth's housing stock by assisting LMI families with energy efficiency improvements, developing effective coordination between multiple programs, directing contractors, and training volunteers and do-it-yourselfers.

Goal: 50 Households

Amount Recommended: \$100,000

20-HS-05

Project Name: Community Land Trust Acq-Rehab Resale- One Roof Community Housing

Project Summary: One Roof Community Housing will acquire three blight residential structures, rehab the unit and then sale them to LMI households.

Goal: 3 units of owner-occupied housing.

Amount Recommended: \$70,000

20-HS-06

Project Name: Duluth Lending Rehab- One Roof Community Housing

Project Summary: One Roof will provide low interest loans, forgivable loans, and deferred loans for rehabilitation of single-family owner occupied and multi-family rental units within Duluth to low to moderate income individuals, focusing on healthy homes and energy conservation.

Goal: 30 housing units

Amount Recommended: \$75,000

20-HS-07

Project Name: Specialized Improvement Program/Blight Reduction - Ecolibrium3

Project Summary: Condemned, burned, and/or blighted properties impact safety of residents, revitalization of neighborhoods, and other property investment. This project will target demolition activities to the worst properties in Duluth's Specialized Improvement Areas while developing "highest use" plans for property redevelopment.

Goal: 5 housing units

Amount Recommended: \$39,763

ECONOMIC DEVELOPMENT

20-ED-01

Project Name: Growing Neighborhood Businesses - Entrepreneur Fund

Project Summary: The Northeast Entrepreneur Fund's Growing Neighborhood Businesses program will provide technical assistance and peer support for 8 existing small businesses in CDBG target neighborhoods to help grow their business revenue to help their revenue increase by 25%. In addition, the Northeast Entrepreneur Fund will assist 8 LMI and Minority individuals in starting a business.

Goal: 16 LMI neighborhood small business owners grow their business revenue.

Amount Recommended: \$78,000

20-ED-02

Project Name: Duluth At Work Collaborative- SOAR Career Solutions

Project Summary: SOAR Career Solutions, a community based development organization, will work with the Duluth At Work Collaborative to provide job skills training, case management, job placement and job retention support to assist 41 Duluth residents at or below 50% of Area Median Income to complete training and reach employment benchmarks.

Goal: 41 Jobs

Amount Recommended: \$272,000

PUBLIC FACILITY IMPROVEMENTS

20-PF-01

Project Name: Chester Bowl Chalet Renovation-Chester Bowl Improvement Club

Project Summary: Renovate and expand the Chalet to allow for equitable access and ADA compliance, expansion of use and opportunities, and increased energy efficiency.

Goal: 1 facility

Amount Recommended: \$75,000

PUBLIC SERVICES

20-PS-01

Project Name: Landlord Incentives Program- Salvation Army

Project Summary: Salvation Army will engage landlords to provide housing opportunities for singles, families, and youth who may otherwise be prevented from renting due to criminal history.

Goal: 80 individuals

Amount Recommended: \$20,000

20-PS-02

Project Name: JET Food Project- Neighborhood Youth Services (NYS)

Project Summary: The JET Food Project at Neighborhood Youth Services will provide access to daily meals and snacks for 815 youth ages 6-18 while providing nationally-recognized job training skills that prepare teens for employment in the food service industry.

Goal: 815 individuals

Amount Recommended: \$39,000

20-PS-03

Project Name: Basic Needs Drop-In Center for Homeless Youth - Life House

Project Summary: Life House's Basic Needs Center for Homeless Youth provides basic human necessities, referrals to internal and external services, site-based outreach, assistance obtaining and maintaining stable housing, and independent living skills classes for homeless, at-risk and street youth ages 14-24.

Goal: 650 individuals

Amount Recommended: \$30,000

20-PS-04

Project Name: Free Tax Site- Community Action Duluth

Project Summary: Community Action Duluth (CAD) requests \$40,000 in CDBG funding to support the Volunteer Income Tax Assistance program ("Free Tax Site"). Staff and volunteers assist over 1200 households a year in filing returns to recoup more than \$2.3 million in tax refunds.

Goal: 1,225 individuals

Amount Recommended: \$20,000

20-PS-05

Project Name: Tenant Landlord Connection - One Roof Community Housing

Project Summary: The TLC will help ensure stable rental housing exists by educating existing and potential landlords and tenants regarding rights and responsibilities as well as mediating disputes between landlords and tenants to reduce the number of evictions in our community.

Goal: 560 individuals

Amount Recommended: \$25,000

20-PS-06

Project Name: Seeds of Success Farmer's Market- Community Action Duluth

Project Summary: Community Action Duluth will provide food access to healthy and affordable foods to all residents in the SIA neighborhoods via farmers markets.

Goal: 1,300 individuals

Amount Recommended: \$7,000

20-PS-07

Project Name: Duluth Hunger Project - Churches United in Ministry (CHUM)

Project Summary: The Duluth Hunger Project is a coalition of three agencies (CHUM, The Salvation Army, and The Damiano Center) working together to prevent and alleviate chronic hunger and malnutrition among the lowest income of Duluth's residents, through congregate meal sites and emergency food shelf programs.

Goal: 15,000 individuals

Amount Recommended: \$80,000

20-PH-01

Project Name: Children Services- Steve O'Neil Apartments- CHUM

Project Summary: CHUM will provide supportive services to families at the Steve O'Neil Apartments, including case management, licensed childcare, and parenting classes and coordination with other partner agencies.

Goal: 100 individuals

Amount Recommended: \$20,000

20-PH-02

Project Name: Domestic Violence Shelter - Safe Haven

Project Summary: Safe Haven Shelter is a 39-bed emergency shelter for women and their children who are fleeing domestic violence. Safe Haven provides shelter stabilization services, advocacy, and support to those in the shelter.

Goal: 500 individuals

Amount Recommended: \$15,000

20-PH-03

Project Name: Family Supportive Housing- Center City Housing Corporation

Project Summary: CCHC will operate and provide supportive services for transitional and permanent housing

units.

Goal: 131 individuals

Amount Recommended: \$30,000

20-PH-04

Project Name: Family Transitional Housing Program - Salvation Army

Project Summary: Salvation Army will provide transitional housing and support services to assist homeless families (100 persons) move toward greater housing stability.

Goal: 100 individuals

Amount Recommended: \$8,250

20-PH-05

Project Name: Homeless Prevention/Rapid Rehousing of Veterans - MACV-Duluth

Project Summary: MACV will work to provide shelter, outreach, referral, prevention, and rapid-rehousing services to veterans living on the streets and other places not meant for human habitation.

Goal: 80 individuals

Amount Recommended: \$9,150

20-PH-06

Project Name: Emergency Shelter Program - CHUM

Project Summary: CHUM will work to provide shelter, outreach, referral, prevention and rapid rehousing services to homeless living on the streets and other places not meant for human habitation.

Goal: 1,100 individuals

Amount Recommended: \$40,000

20-PH-07

Project Name: Coordinated Assessment- Housing and Redevelopment Authority of Duluth (HRA)

Project Summary: The Duluth HRA will work with homeless providers to implement the coordinated entry system to ensure homeless persons have access to services.

Amount Recommended: \$12,000