



Legislation Text

File #: 22-0739R, **Version:** 1

RESOLUTION AUTHORIZING THE INCREASE AND FINALIZING THE 2022 ANNUAL ACTION PLAN AND AUTHORIZING A REQUEST FOR HUD FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME PROGRAM (HOME), AND EMERGENCY SOLUTIONS GRANT PROGRAM (ESG) PROGRAM FUNDS.

CITY PROPOSAL:

WHEREAS, Regulation 24 CFR Part 91 issued by the U.S. Department of Housing and Urban Development (HUD) requires the city to submit and receive HUD approval of an annual action plan as part of a HUD-approved five-year consolidated plan for the city of Duluth; and

WHEREAS, Title 1 of the Housing and Community Development Act of 1974, as amended, establishes a community development block grant (CDBG) program for the purpose of developing viable urban communities by providing decent housing and suitable living environment and expanding economic opportunities and preventing and/or eliminating conditions of slum and blight, principally for persons of low and moderate income; and

WHEREAS, the city of Duluth desires to continue to carry out HUD-funded programs;

NOW, THEREFORE, BE IT RESOLVED, that the FY 2022 action plan portion of FY 2020-2024 city of Duluth consolidated plan for housing and community development required by HUD federal legislation are hereby adopted and approved.

BE IT FURTHER RESOLVED, that the City of Duluth hereby makes a finding that expenditures as set forth in Resolution No. 22-0041 and further revised in 22-0740R, are necessary and appropriate and, further, that said expenditures for the CDBG program will serve to assist low- and moderate-income individuals/families (no less than 70 percent as described in federal regulations) and/or serve to prevent or eliminate conditions of slum or blight in the community.

BE IT FURTHER RESOLVED, that the city of Duluth hereby makes a finding that expenditures as set forth in Resolution 22-0042 and further revised in 22-0743R, are necessary and appropriate and, further, that said expenditures for the HOME program will serve to assist low- and moderate-income people.

BE IT FURTHER RESOLVED, that the city of Duluth hereby makes a finding that expenditures as set forth in Resolution 22-0043 and further revised in 22-0744R, are necessary and appropriate and, further, that said expenditures for the ESG program that will serve to assist low- and moderate-income people.

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 and authorizing appropriate city officials to execute any documents with HUD to implement the program. This authorization shall also apply to existing programs with the city and HUD under the HUD CDBG, HOME and ESG programs.

STATEMENT OF PURPOSE: This resolution is a revision of the Fiscal Year 2022 due to the City of Duluth receiving the final FY 2022 CDBG, HOME and ESG allocation amounts from the Department of Housing &

Urban Development (HUD) which resulted in a decrease of \$160,584 in CDBG funds, an increase of \$5,461 in HOME funds, and a decrease of \$3,002 in ESG funds. This resolution approves the revised 2022 Annual Action Plan portion of the 2020-2024 consolidated plan for the city. The action plan was approved by council based on funding estimates on January 10, 2022 with Resolution 22-0040R. The action plan sets forth FY 2022 funding and allows opportunity for comments from citizens about funding for three HUD-funded programs: the community development block grant program (CDBG), the HOME program (HOME), and the emergency solutions grants program (ESG). The recommendations contained in this resolution were developed based on consideration of citizen comments, the public hearing held on November 16, 2021 and the deliberations of the community development committee (CD committee).

The original funding amounts were based on funding estimates. HUD officially notified the city of the FY 2022 funding amounts on May 13, 2022 which included a decrease in the CDBG and ESG programs and an increase in the HOME programs. A public comment period was held from November 3, 2021 December 3, 2021 and a public hearing on November 16, 2021. The committee's recommendation and initial council resolution included a funding contingency plan that stated if the amount received varied more than 1% of the estimated amount, then the Community Development Committee would reconvene and revised the funding recommendations and submit it to City Council. The Community Development Committee met on July 12, 2022 and revised the FY 2022 funding allocations and recommended approval of the revised CDBG, HOME, and ESG funding allocations to City Council with the amounts included in this resolution. A 30 day public comment period was held from August 22, 2022 to September 22, 2022 on the revised amounts. The resolution, in addition to authorizing application for grant funds and administration of same when received, also takes the following actions:

- (a) Approves a 2022 annual action plan portion of the 2020-2024 consolidated plan under HUD regulations;
- (b) Allocates funds to the projects as listed for the 2022 CDBG program;
- (c) Allocates funds for the 2022 HOME Program and
- (d) Allocated funds for the 2022 ESG Program; and
- (d) Authorizes execution of documents with HUD.

Source of funds:

\$2,349,416	in new 2022 CDBG funds
\$ 585,461	in new 2022 HOME funds
<u>\$ 206,998</u>	<u>in new 2022 ESG funds</u>
\$ \$3,141,875	2022 Community Development program total