



Legislation Text

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**File #:** 19-0410R, **Version:** 1

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RESOLUTION RESCINDING NO. 19-0063R AND AUTHORIZING A REQUEST FOR HUD FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2019 PROGRAM YEAR, AUTHORIZING AGREEMENTS WITH APPROPRIATE AGENCIES.

CITY PROPOSAL:

WHEREAS, City Council Resolution No. 19-0412R adopted June 24, 2019, approved FY 2019 annual Action Plan portion of the 2015-2019 Consolidated Plan; and

WHEREAS, City Council Resolution No. 19-0063R, adopted January 28, 2019, approved a request to the U.S. Department of Housing and Urban Development (HUD) based on preliminary funding estimates; 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); and

WHEREAS, on April 22, 2019 the city was notified by HUD of the final CDBG award amount of \$2,375,204 ;

NOW, THEREFORE, BE IT RESOLVED, that Resolution 19-0063R is hereby rescinded and replaced with this resolution; and

NOW, THEREFORE, BE IT FURTHER 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:

2019 CITY OF DULUTH COMMUNITY DEVELOPMENT BLOCK

GRANT (CDBG) PROGRAM-FUND 262, AGENCY 020, OBJECT 5434 PROJECT CD19CD

<u>SUB PROJECT</u>	<u>ACTIVITY</u>	<u>AMOUNT</u>	<u>PROJECTS</u>
<u>HOUSING PROJECTS</u>			
HOUS		1734	\$ 450,000 Duluth Property Rehab Prog. - HRA
HOUS		tbd	\$ 70,000 Redruth Rehab Project- ASI Redruth
HOUS		tbd	\$ 80,000 Burke Rehab Project- ASI Burke Supportive Housing
HOUS		6787	\$ 125,000 Duluth Energy Efficiency Program - Ecolibrium3
HOUS		6787	\$ 100,000 Specialized Improvement Program/Blight Reduction- Ecolibrium3
HOUS		6915	\$ 80,000 Duluth Lending Rehab- One Roof Community Housing
<u>ECONOMIC DEVELOPMENT PROJECTS</u>			
ECDV	2412	\$ 272,000	Duluth at Work Collaborative - SOAR Career Solutions
ECDV		2264	\$ 64,000 Growing Neighborhood Businesses
		-	Entrepreneur Fund
<u>PUBLIC FACILITY IMPROVEMENT PROJECTS</u>			
PFAC		1929	\$ 30,000 Replacement of Medical Exam Tables - Lake Superior Community Health Center
PFAC		1974	\$ 128,500 Life House Annex - Life House
PFAC		PF01	\$ 140,000 Acquisition Demolition Preparation Program- City of Duluth
PFAC		PF02	\$ 5,000 Bike Duluth- Transportation Options for All- City of Duluth
<u>PUBLIC SERVICE PROJECTS</u>			
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	tbd	\$ 7,000	Seeds of Success Farmers Market-Community Action Duluth
PSVC	124A	\$ 80,000	Duluth Hunger Project- CHUM
PSVC	124B	\$ 20,000	Housing Stabilization- 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	1244	\$ 40,000	Emergency Shelter- CHUM
PSVC	1734	\$ 12,000	Coordinated Entry and Assessment

PLANNING/PROGRAM ADMINISTRATION

ADMC	AD01	\$ 475,304	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 2019	CDBG Grant - city	\$	2,375,204
	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.

STATEMENT OF PURPOSE: On January 28, 2019 the city council passed Resolution 19-0063R authorizing the city to apply for and distribute CDBG funds. This action was based on estimates of funding. On April 22,

2019 HUD notified the city of the final award amount which was an increase from the original estimate. This resolution rescinds the previous resolution and authorizes the projects identified.

This resolution reflects the recommendations of the Community Development Committee (CD committee) with concurrence of the Community Planning manager. The CD committee solicited comments from organizations and citizens as related to the proposed FY 2019 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 December 4th, 2018 and May 28, 2019, and the deliberations of the CD committee. There was a 30-day public comment period from November 3, 2018, to December 3, 2018 and another comment period from May 12, 2019 to June 10, 2019, on the 2019 annual action plan portion of the 2015-2019 consolidated plan, which also includes recommended funding for the 2019 CDBG, HOME and ESG programs. The CD committee held a public hearing on December 4, 2018 and May 28, 2019, to hear comments on the funding recommendations and then modified, if necessary, its initial amounts to reflect those comments. The CD committee's recommendations were finalized on May 28, 2019.

**Source of Funds:**

\$2,375,204 in new 2019 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 2019 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**

**19-HS-01**

**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:** 55 units of rental housing. 100% LMI.

**Amount Recommended:** \$450,000

**19-HS-02**

**Project Name:** Redruth Rehab Project - ASI Redruth

**Project Summary:** ASI will improve 18 units of accessible and affordable housing units by making improvements to the interior of the building. All units are occupied by low income households.

**Goal:** 18 units of rental housing.

**Amount Recommended:** \$70,000

### 19-HS-03

**Project Name:** Burke Rehab Project- ASI Burke Supportive Housing

**Project Summary:** ASI will improve 20 units of accessible and affordable housing units by making improvements to the interior of the building including parking lot and entryway. All units are occupied by low income households.

**Goal:** 20 units of rental housing.

**Amount Recommended:** \$80,000

### 19-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:** \$125,000

### 19-HS-05

**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:** 40 housing units

**Amount Recommended:** \$100,000

### 19-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:** 40 housing units

**Amount Recommended:** \$80,000

## ECONOMIC DEVELOPMENT

### 19-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 business owners in CDBG target neighborhoods to help grow their business revenue by 25%.

**Goal:** 8 LMI neighborhood small business owners grow their business revenue by 25% within 3 years.

**Amount Recommended:** \$64,000

### 19-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

### 19-PF-01

**Project Name:** Replacement of Medical Exam Tables - Lake Superior Community Health Center

**Project Summary:** Replace outdated medical exam tables with "high-low" exam tables to increase access to medical care for all patients, including those with mobility barriers and disabilities. The patient population served is comprised of low and moderate income households.

**Goal:** 1 facility

**Amount Recommended:** \$30,000

### 19-PF-02

**Project Name:** Life House Annex- Life House

**Project Summary:** Life House is seeking CDBG support to enhance our downtown campus with a newly renovated, state-of-the-art facility and recreation area for the Futures Education & Employment Program. This funding would allow Life House to complete Phase II of a comprehensive renovation of the Life House Annex and Commons recreation area.

**Goal:** 1 facility

**Amount Recommended:** \$128,500

### 19-PF-03

**Project Name:** Acquisition Demolition Preparation Program- City of Duluth

**Project Summary:** The program will result in the elimination of blight conditions on 4 sites through acquisition, demolition and site preparation for infill housing development.

**Goal:** 4 demolitions

**Amount Recommended:** \$140,000

### 19-PF-04

**Project Name:** Bike Duluth- Transportation Options for All- City of Duluth

**Project Summary:** "Bike Duluth - Transportation Options for All" will seek to install bike racks in public places near businesses, housing, and services in CDBG eligible neighborhoods to enhance transportation options for LMI individuals in the City.

**Goal:** 10 bike rack facilities

**Amount Recommended:** \$5,000

## PUBLIC SERVICES

### 19-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:** 100 individuals

**Amount Recommended:** \$20,000

### 19-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 550 youth ages 6-18 while providing nationally-recognized job training skills that prepare teens for employment in the food service industry.

**Goal:** 550 individuals

**Amount Recommended:** \$39,000

### 19-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

**19-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 1300 households a year in filing returns to recoup more than \$2.3 million in tax refunds.

**Goal:** 1,325 individuals

**Amount Recommended:** \$20,000

**19-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:** 550 individuals

**Amount Recommended:** \$25,000

**19-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:** 2,700 individuals

**Amount Recommended:** \$7,000

**19-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

#### 19-PH-01

**Project Name:** Housing Stabilization 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:** 160 individuals

**Amount Recommended:** \$20,000

#### 19-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

#### 19-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:** 91 individuals

**Amount Recommended:** \$30,000

#### 19-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

#### 19-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

#### **19-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:** 1,000 individuals

**Amount Recommended:** \$40,000

#### **19-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