



## Legislation Details (With Text)

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**In control:** Planning and Economic Development  
**Final action:** 6/12/2017  
**Title:** RESOLUTION REPROGRAMMING FUNDS FROM THE 2014 PROGRAM YEAR IN THE AMOUNT OF \$10,000.00, and \$80,877.24 FROM PRE-2015 UNCOMMITTED HOME FUNDS FOR A TOTAL OF \$90,877.24.

**Sponsors:**

**Indexes:**

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Date	Ver.	Action By	Action	Result
6/12/2017	1	City Council	adopted	

RESOLUTION REPROGRAMMING FUNDS FROM THE 2014 PROGRAM YEAR IN THE AMOUNT OF \$10,000.00, and \$80,877.24 FROM PRE-2015 UNCOMMITTED HOME FUNDS FOR A TOTAL OF \$90,877.24.

### CITY PROPOSAL:

Resolved, that the city council transfers \$50,287.00 to the Jay Street Project and \$40,590.24 to the HRA from 2014 Program Year unspent funds and from Pre-2015 Program Years Uncommitted Funds.

#### 2014 HOME Program Fund 260, Agency 020, Object 5434, Project CD14HM

Sub- Project	Activity	Project	Amount	New Grant	Difference
HOUS	CH14-6905	One Roof	\$20,000.00	\$10,000.00	(\$10,000.00)
PRE 2015 Uncommitted Fund, Project Various					\$(80,877.24)
Total					<u>\$(90,877.24)</u>

#### 2016 HOME Program Fund-Fund 260, Agency 020, Object 5434, Project CD16HM

Sub- Project	Activity	Project	Amount	New Grant	Difference
HOUS	CH16-6915	One Roof	\$124,444.00	\$174,731.00	\$50,287.00
HOUS	GN16-173B	HRA	\$42,518.00	\$83,108.24	\$40,590.24
Total					<u>\$90,877.24</u>

STATEMENT OF PURPOSE: The additional \$80,877.24 HOME funds were discovered when HUD implemented an audit of their funding computer software nationwide (Integrated Disbursement

Information System, aka IDIS). The IDIS system has generated reports showing this amount and the report states if the funds are not committed by June 20, 2017, the city of Duluth will not be able to access these funds. City staff has discussed this amount and process with the HUD representatives and have been directed to commit these funds as soon as possible. The Jay Street project had initially been committed with \$30,287.00 in CDBG and \$51,944.00 in HOME funds (for a total amount of \$82,231.00), however none of the CDBG funds have been spent, therefore the allocated CDBG amount is available to be transferred from the Jay Street project to another CDBG project in a separate resolution. Recently, One Roof informed staff that there were environmental clean-up costs for the Jay Street project; therefore, an additional \$20,000.00 will be allocated to the Jay Street project, so the total amount allocated to Jay Street will be \$102,231.00 which will all be HOME funds. The remaining HOME funds will be allocated to the HRA for homeowner rehab.

The Jay Street Development includes the construction of nine single-family units that will have a mixture of land trust homes priced at %115 AMI and market rate homes, the additional funds will maintain this housing mixture. The funds described in this resolution are only for the land trust homes and not for the market rate homes. This resolution replaces the \$30,287.00 CDBG portion amount in Resolution 16-0554R and adds an additional \$20,000.00 in HOME funds for site preparation costs. The HRA has an existing 2016 Homeowner Rehab contract and this additional funding will be committed to people needing assistance prior to HUD's committal date.