



## Legislation Text

**File #:** 19-0415R, **Version:** 1

RESOLUTION RESCINDING NO. 19-0064R AND AUTHORIZING A REQUEST FOR HUD HOME 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. 19-0064R, 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 Grants program [ESG]); and

WHEREAS, on April 22, 2019 the city was notified by HUD of the final CDBG award amount of \$541,106;

NOW, THEREFORE, BE IT RESOLVED, that Resolution 19-0064R is hereby rescinded and replaced with this resolution; and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 HOME PROGRAM - FUND 260, AGENCY 020, OBJECT 5434, PROJECT CD19HM

### SUB

<u>PROJECT</u>	<u>ACTIVITY</u>	<u>PROJECTS</u>	<u>AMOUNT</u>
GN18	1734	Homeless Rental Asst. (TBRA) - HRA	\$ 90,000
GN18	173A	TBRA Admin - HRA	\$ 7,000
GN18	6915	CLT Acquisition/Rehabilitation - One Roof	\$ 320,000
GN18	6915	CLT New Construction - One Roof	\$ 150,000
GN18	AD01	Program Administration (City)	\$ 54,111

Total	\$ 621,111
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**2010 HOME Investment Partnership Program**

Fund 260, Agency 020, Object 5434

Project	Activity	Original Budget	New Grant	Difference
n/a	HRA Lien Repayment	-----	-----	(\$62,690.12)

**CD Housing Rehab RLF**

Fund 261, Agency 020, Object 5434

Project	Activity	Original Budget	New Grant	Difference
n/a	HRA Lateral lines	-----	-----	(\$17,314.88)

BE IT FURTHER RESOLVED, the following are hereby designated as the financial sources for the above program:

Year 2019	HOME Grant	\$541,106
<u>FY 2010 and FY 2016</u>	<u>Reprogram Funds</u>	<u>\$80,005</u>
Total		<u>\$621,111</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 approval of HUD funds.

STATEMENT OF PURPOSE: On January 28, 2019 the city council passed Resolution 19-0064R 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. In addition to the increase in

funds from HUD, this resolution also includes reprogramming previously unused funds from 2010 and 2016 HOME projects.

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 HOME Investment Partnership Program. 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:**

\$541,106 in new 2019 HUD HOME Funds and \$80,005 in reprogrammed HOME funds from 2010 and 2016.

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 HOME Program.
- (b) Authorizes contracts for the activities upon receipt of the funding contract and completion of the environmental review process.

## **19-HM-01**

**Project Name:** Homeless Rental Assistance Program (TBRA) - Duluth HRA

**Project Summary:** The program will provide rental assistance for households who would otherwise be homeless or are homeless by HUD's definition. The City and the HRA have established this program to provide rental assistance as a significant component in the continuum of services to prevent homelessness.

**Goal:** 13 homeless families to be served

**Amount Recommended:** \$90,000

## **19-HM-02**

**Project Name:** Community Land Trust New Construction

**Project Summary:** One Roof, a Community Housing Development Organization, will construct three new housing units, providing affordable homeownership opportunities, for low-moderate income households. The long-term affordability of the homes will be preserved through the Community Land Trust (CLT) program.

**Goal:** 3 housing units

**Amount Recommended:** \$150,000

**19-HM-03**

**Project Name:** Community Land Trust Acquisition/Rehabilitation/Resale- One Roof Community Housing

**Project Summary:** One Roof, a Community Housing Development Organization, will acquire and rehab eight housing units, providing affordable homeownership opportunities, for low-moderate income households. The long-term affordability of the homes will be preserved through the Community Land Trust (CLT) program.

**Goal:** 8 Housing Units

**Amount Recommended:** \$320,000