



## Legislation Text

**File #:** 21-0078R, **Version:** 1

RESOLUTION AUTHORIZING A REQUEST FOR HUD FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2021 PROGRAM YEAR, AUTHORIZING AGREEMENTS WITH APPROPRIATE AGENCIES.

### CITY PROPOSAL:

WHEREAS, City Council Resolution No. 21-0077R, adopted February 8, 2021, approved the 2021 Action Plan

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:

2021 CITY OF DULUTH COMMUNITY DEVELOPMENT BLOCK  
GRANT (CDBG) PROGRAM-FUND 262, AGENCY 020, OBJECT 5434 PROJECT CD21CD

<u>SUB PROJECT</u>	<u>ACTIVITY</u>	<u>AMOUNT</u>	<u>PROJECTS</u>
<u>HOUSING PROJECTS</u>			
HOUS	1734	\$ 446,000	Duluth Property Rehab Prog. - HRA
HOUS	6787	\$ 120,000	Eco3Energy - Ecolibrium
HOUS	6915A	\$ 240,000	Community Land Trust: Acquisition- Rehab-Resale - One Roof Comm Housing
HOUS	6915	\$ 75,000	One Roof Duluth Rehabilitation - One Roof Community Housing

ECONOMIC DEVELOPMENT PROJECTS

ECDV	TBD	\$ 50,000	Futures Program - Life House, Inc.
ECDV	2412 Project - SOAR Career Solutions	\$ 190,000	High-demand, Living-wage, Job Training
ECDV	2264	\$ 64,000	Starting & Growing Neighborhood Businesses - Entrepreneur Fund
ECDV	TBD	\$ 75,000	Cultural Specific Entrepreneurship Workshop - Family Rise Together

PUBLIC FACILITY IMPROVEMENT PROJECTS

PFAC	TBD	\$ 50,000	Spirit Valley Updates & Efficiencies - Duluth YWCA
PFAC	TBD	\$ 88,900	Acquisition Demolition Program - City of Duluth, Planning & Development Division
PFAC	TBD	\$ 43,000	Equipment Upgrades to Improve Care - Lake Superior Community Health Ctr
PFAC	TBD	\$ 135,000	Niiwin Indigenous Foods Market Construction - American Indian Community Housing Organization

PUBLIC SERVICE PROJECTS

PSVC	1291	\$ 22,000	Free Tax Site - Community Action Duluth
PSVC	1244A	\$ 23,000	Early Childhood Education - CHUM
PSVC	1244	\$ 81,250	Duluth Hunger Project - CHUM
PSVC	6915	\$ 25,000	Tenant Landlord Connection - One Roof Community Housing
PSVC	2511	\$ 20,000	The Landlord Incentives Program - The Salvation Army
PSVC	2805	\$ 39,000	JET/COVID Response Programming- Neighborhood Youth Services
PSVC	1974	\$ 31,000	Life House Basic Needs/Drop-in for Homeless Youth - Life House, Inc.
PSVC	2109	\$ 9,150	Comprehensive Services for Homeless Veterans - Minnesota Assistance Council for Veterans
PSVC	2509	\$ 20,000	Safe Haven Shelter Program - Safe

PSVC	1244B	\$ 42,000	Haven Shelter for Battered Women
PSVC	1226	\$ 31,000	CHUM Emergency Shelter - CHUM
PSVC	2511	\$ 8,500	Family Supportive Housing - Center City Housing Corporation
PSVC	1734	\$ 12,000	Family Transitional Housing - The Salvation Army
			Coordinated Entry - Housing & Redevelopment Authority of Duluth, MN

PLANNING/PROGRAM ADMINISTRATION

ADMC	AD01	\$ 485,200	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 2021	CDBG Grant - city	<u>\$ 2,426,000</u>
	Total	<u>\$ 2,426,000</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 the Community Development Committee approved a contingency plan on January 26, 2021 stating that if there should there be a higher level of CDBG funding allocated to the city for FY 2021 than estimated, such funding shall be distributed proportionally to previously recommended 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 2021 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 January 5, 2021 and the deliberations of the CD committee on January 26. There was a 30-day public comment period from December 19, 2020, to January 18, 2021 on the 2021 annual action plan, which also includes recommended funding for the 2021 CDBG, HOME and ESG programs. The CD committee held a public hearing on January 26, 2021, 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 January 26, 2021, with the concurrence of the Planning and Development Manager.

**Source of Funds:**

\$2,426,000 in new 2021 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 2021 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**

**21-HS-01**

**Project Name:** Duluth Property Rehab Prog - 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:** \$446,000

**21-HS-02**

**Project Name:** Eco3Energy - 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:** 40 Households

**Amount Recommended:** \$120,000

### **21-HS-03**

**Project Name:** Community Land Trust: Acquisition-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:** 12 units of owner-occupied housing.

**Amount Recommended:** \$240,000

### **21-HS-04**

**Project Name:** One Roof Duluth Rehabilitation - 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:** 25 housing units

**Amount Recommended:** \$75,000

## **ECONOMIC DEVELOPMENT**

### **21-ED-01**

**Project Name:** Futures Program - Life House, Inc.

**Project Summary:** The Futures Program will provide alternative education and career pathways to homeless and at-risk youth who are disconnected from school or work for them to become employed.

**Goal:** 16 LMI Youth

**Amount Recommended:** \$50,000

### **21-ED-02**

**Project Name:** High-Demand, Living-wage, Job Training Project -SOAR Career Solutions

**Project Summary:** SOAR Career Solutions, a community based development organization, will provide job training and skill development to assist LMI people to help them achieve living wage jobs.

**Goal:** 90 LMI Individuals

**Amount Recommended:** \$190,000

### 21-ED-03

**Project Name:** Starting & 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:** \$64,000

### 21-ED-04

**Project Name:** Cultural Specific Entrepreneurship

**Project Summary:** Family Rise Together will provide training and support to LMI owners and operators of culturally specific businesses including people of color and women.

**Goal:** 32 LMI Individuals

**Amount Recommended:** \$75,000

## PUBLIC FACILITY IMPROVEMENTS

### 21-PF-01

**Project Name:** Spirit Valley Updates & Efficiencies - Duluth YWCA

**Project Summary:** Funds will be used for building improvements, including replacement of a waterline.

**Goal:** 1 Facility

**Amount Recommended:** \$50,000

### 21-PF-02

**Project Name:** Acquisition Demolition Program - City of Duluth, Planning & Development Division

**Project Summary:** The City of Duluth will acquire property to eliminate blight and physical decay on specific sites.

**Goal:** 4 blighted properties

**Amount Recommended:** \$88,900

### 21-PF-03

**Project Name:** Equipment Upgrades to Improve Care - Lake Superior Community Health Ctr

**Project Summary:** Funding will be used to upgrade health care equipment, including Spinal Decompression Table, Automatic Blood Pressure Cuffs, and Dental X-Ray Sensors.

**Goal:** 1 Facility

**Amount Recommended:** \$43,000

### 21-PF-04

**Project Name:** Niiwin Indigenous Foods Market Construction - American Indian Community Housing Organization

**Project Summary:** AICHO will use the funds for construction costs to renovate the interior space of the Niiwin Market.

**Goal:** 1 Facility

**Amount Recommended:** \$135,000

## PUBLIC SERVICES

### 21-PS-01

**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 LMI Individuals

**Amount Recommended:** \$22,000

### 21-PS-02

**Project Name:** Early Childhood Education - CHUM

**Project Summary:** CHUM will provide services for children at the Steve O'Neil Apartments including a licensed 4-Star Parent Aware childcare program, two-generational parenting programs, youth programs, and community programs focused on healthy habits, food security, literacy and inclusion.

**Goal:** 70 LMI Individuals

**Amount Recommended:** \$23,000

### 21-PS-03

**Project Name:** Duluth Hunger Project - 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:** \$81,250

### 21-PS-04

**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

### 21-PS-05

**Project Name:** The Landlord Incentives Program - The 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:** 75 LMI Individuals

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

### 21-PS-06

**Project Name:** JET/COVID Response Programming - Neighborhood Youth Services

**Project Summary:** NYS will provide childcare, food, and mental health services, and academic support to youth of essential workers. Should youth be able to return to school, then NYS will resume normal programming of provide food and academic support to LMI families.

**Goal:** 50 Individuals

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



## 21-PS-07

**Project Name:** Life House Basic Needs/Drop-in for Homeless Youth - Life House, Inc.

**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:** 625 Individuals

**Amount Recommended:** \$31,000

## 21-PH-01

**Project Name:** Comprehensive Services for Veterans - Minnesota Assistance Council for Veterans

**Project Summary:** MACV will work to provide shelter, outreach, intake, assessment, and direct services to veterans living on the streets and other places not meant for human habitation.

**Goal:** 95 LIM Individuals

**Amount Recommended:** \$9,150

## 21-PH-02

**Project Name:** Safe Haven Shelter Program - Safe Haven Shelter for Battered Women

**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:** \$20,000

## 21-PH-03

**Project Name:** CHUM Emergency Shelter - 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:** 1,200 Individuals

**Amount Recommended:** \$42,000

## 21-PH-04

**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:** \$31,000

## **21-PH-05**

**Project Name:** Family Transitional Housing - The 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:** \$8,500

## **21-PH-06**

**Project Name:** Coordinated Entry- 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