



Legislation Text

File #: 21-0245R, **Version:** 1

RESOLUTION APPROVING THE REVISED 2021 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 2021 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. 21-0078R and further revised in 21-0246R 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 21-0079R, further revised in 21-0247R and Resolution No. 21-0080R, further revised in 21-0248R, are necessary and appropriate and, further, that said expenditures for the HOME and ESG programs 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 approves the revised 2021 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 February 8, 2021 with Resolution 21-0077R. The action plan sets forth FY 2021 funding and allows opportunity for comments from organizations and citizens as related to said 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 January 5, 2021, surveys, 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 2021 funding amounts on February 25, 2021 which included an increase in CDBG program and a decrease in the HOME and ESG programs. A public comment period was held from December 19, 2020 to January 18, 2021 and a public hearing on January 5, 2021. The committee's recommendation and initial council resolution included a funding contingency plan that set the amounts included in this resolution. The resolution, in addition to authorizing application for grant funds and administration of same when received, also takes the following actions:

- (a) Approves a 2021 annual action plan portion of the 2020-2024 consolidated plan under HUD regulations;
- (b) Allocates funds to the projects as listed for the 2021 CDBG program;
- (c) Allocates funds for the 2021 HOME and ESG Programs; and
- (d) Authorizes execution of documents with HUD.

Source of funds:

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| \$2,426,735 | in new 2021 CDBG funds |
| \$548,149 | in new 2021 HOME funds |
| <u>\$206,941</u> | in new 2021 ESG funds |
| \$3,181,825 | 2021 community development program total |