



Legislation Text

File #: 22-0747R, **Version:** 1

RESOLUTION AUTHORIZING REPROGRAMMING OF \$103,541.07 OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FROM 2015 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM YEAR FOR THE 2022 DULUTH PROPERTY REHAB PROGRAM AND AMENDING THE 2015 AND 2022 ACTION PLANS.

CITY PROPOSAL:

RESOLVED, that the proper city official are hereby authorized to reprogram \$103,541.07 from the 2015 Community Development Block Grant Program and for the 2022 Duluth Property Rehab Program and Amend the 2015 and 2022 Action Plans.

2015 CDBG Program

Fund 262, Agency 020, Object 5434, Project - CD15 CD Resolution # 17-0565R, amended with Resolution # 18-072

Project	Activity	Original Budget	New Grant	Difference
PFAC-PF01	Washington Center Kitchen City of Duluth	\$144,451.01	\$40,909.94	(\$103,541.07)

2022 CDBG Program

Fund 262, Agency 020, Object 5434, Project -CD22CD Resolution # (to be assigned)

Project	Activity	Original Budget	New Grant	Difference
HOUS 1734	Duluth Property Rehab Program Duluth Housing and Redevelopment Authority	\$346,458.93	\$450,000	\$103,541.07

STATEMENT OF PURPOSE: The Planning and Development Division reviews past allocations for performance. During this review, it was noticed that there was unallocated funding in the amount of \$103,541.07 for the 2015 Program Year. For the 2015 Program Year, \$175,000 was allocated to the Washington Center Kitchen Remodel with resolution #17-0565R. In 2017 the Washington Center Kitchen remodel amount was reduced from the \$175,000 allocation to \$152,722.89 with resolution 18-072R. In August 2020, it was determined that the Washington Center Kitchen project would not be fully rehabbed due to higher than expected construction costs and the project was ended with \$40,909.94 in total funds spent. At this time, \$103,541.07 in funds remain available for reprogramming.

On May 13, 2022, the City of Duluth receive the HUD allocation for the 2022 Program Year; this allocation showed a reduction of \$160,584 in CDBG funds from the estimated amount that was used to allocate the program funding on January 10, 2022 with resolution 22-0041. To address this shortfall, the City reduced the funding for the Duluth Property Rehab Program by \$103,541.07 with the CDBG revised resolution submitted at the September 12, 2022 City Council meeting. This proposed resolution will provide the funding needed to fulfil

the shortfall so that the Duluth Property Rehab Program will not be reduced for the FY 2022 program year.

This reallocation of funds meets the definition of a minor amendment in the City of Duluth Citizen Participation Plan, which requires a recommendation from the Division Manager to City Council and approval by the Mayor.