

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

In an effort to provide current data on the housing market, the City's Community Development division tracks housing data and compiles it in the Housing Indicator Report. A survey of the rental market was conducted and data was collected on 3,000 units in the City of Duluth. The data was aggregated and the results calculated by bedroom type, rent charged, and geographic location. The American Community Survey, St. Louis County Assessor's Office, City of Duluth, and other data sources are tracked annually to determine significant shifts in the housing market and to assist housing providers and developers. Key findings in this report include

- The number of foreclosures in Duluth was 57 in 2018 (26% less than in 2017).
- The percentage of Homesteaded properties in Duluth increased slightly and is now at 59.8%.
- The median sales price of a single family home in Duluth increased 14% from \$147,700 in 2013 to \$173,500 in 2018, according to the 2018 Housing Indicator Report.
- The total number of valid sales (does not include family sales, short sales, forced sales, etc.) increased from 2017 to 2018 by 47 homes (4%); the highest total number of single-family homes sold in a single year in the last decade.
- Over 65% of homes in Duluth are over 50 years old.
- The overall rental vacancy rate for the city is 3.2%, which is generally considered low.
- The market-rate vacancy rate was 4.6% which included non-subsidized units.
- From 2017 to 2018, the average rent in Duluth increased 11% from \$985 to \$1,111 per month, continuing the upward trend.

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

Based on the 2013-2017 ACS data, there were 38,461 housing units in Duluth, of which 21,540 units (60%) were owner occupied and 14,463 units (40%) were renter occupied.

The 2013-2017 American Community Survey estimates Duluth’s rental vacancy rate at 3.9%.

The number of housing units has remained relatively consistent since the 1980’s. While there was a slight dip in the 1990 census of 990 units from the previous decade, there has been a slight increase over the past 20 years. In 2010 there were an estimated 38,990 housing units, up from the 1990 count of 34,646 and 2000 count of 35,500. The increase in units despite stagnant population is due to the reduction in household size. In 2000, Duluth’s average household size was 2.26 and in 2017 it was estimated at 2.21.

All residential properties by number of units

| Property Type | Number | % |
|---------------------------------|---------------|-------------|
| 1-unit detached structure | 23,610 | 62% |
| 1-unit, attached structure | 1,110 | 3% |
| 2-4 units | 4,695 | 12% |
| 5-19 units | 2,330 | 6% |
| 20 or more units | 5,435 | 14% |
| Mobile Home, boat, RV, van, etc | 965 | 3% |
| Total | 38,145 | 100% |

Table 27 – Residential Properties by Unit Number

Data Source: 2011-2015 ACS

Unit Size by Tenure

| | Owners | | Renters | |
|--------------------|---------------|-------------|---------------|-------------|
| | Number | % | Number | % |
| No bedroom | 10 | 0% | 1,410 | 10% |
| 1 bedroom | 520 | 2% | 4,895 | 35% |
| 2 bedrooms | 5,690 | 27% | 4,485 | 32% |
| 3 or more bedrooms | 15,100 | 71% | 3,300 | 23% |
| Total | 21,320 | 100% | 14,090 | 100% |

Table 28 – Unit Size by Tenure

Data Source: 2011-2015 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

Currently the Duluth HRA owns and manages 1008 units of public housing, including six high-rise developments (Tri-Towers, Grandview Manor, King Manor, Ramsey Manor, Midtowne Manor I, and Midtowne Manor II) as well as approximately 300 scattered site properties located throughout the City. The Duluth HRA also owns public housing units through the HUD HOPE VI grant program awarded in 2003. Three mixed-income developments were created through this program. Those developments include Harbor Highlands, Village Place, and The Village at Matterhorn.

In addition to public housing, the Duluth HRA administers HUD funded rental assistance to qualifying households through the Section 8 Housing Choice Voucher program. Participants in this program select privately owned housing in the City that meets the program's payment standards, housing quality, and eligibility factors. A total of 1,453 individuals are current users of the Section 8 Housing Choice voucher.

For a number of years, the City has awarded HOME funds to the HRA for tenant based rental assistance. In the past, this program has served approximately 13 individuals or families each year. This program provides housing vouchers for homeless families and individuals that would otherwise be on the section 8 waiting list. It allows households that do not currently qualify for the HRA's programs to receive a rental voucher, and then work to address their ineligibility issues, such as past unpaid rent or a too recent criminal conviction. The City intends to continue to provide HOME funding for tenant based rental assistance.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

Among the subsidized housing units in Duluth, 214 are currently at risk of losing their affordability status before 2020. This risk is the result of projects that receive Low Income Tax Credit assistance reaching the end of the 15 year compliance period. However, due to 15 year extended affordability agreements with the Minnesota Housing Agency, they are under legal obligation to continue as affordable units for 30 years. Harbor View Phase I was constructed as part of a HOPE VI project, and those 44 units are not at risk of conversion to market rate. The remaining properties were assisted with Low Income Housing Tax Credits, and are covered by restrictive covenants to maintain affordability for a minimum of an additional 15 years. There is presently no reliable information available for expiration of Section 8 contracts in Duluth. Please see the chart identifying affordability periods that will expire within the five-year Consolidated Plan period.

Does the availability of housing units meet the needs of the population?

According to the 2013-2017 ACS there are 14,463 bedrooms available for rent. According to the 2018 Duluth Housing Indicator Report the rental market has about a 3.9% vacancy rate which is strained. This vacancy rate is driven by the lack of affordable housing units for low to moderate income residents. More rental units are required for all income groups to help free supply. The student population from University of Minnesota Duluth, College of St. Scholastica, and Lake Superior College, has decreased from 24,463 in 2013 to 21,393 in 2018. Although enrollment has declined slightly, there is still a need for affordable rental units for students. Of those 21,393 students, only 19% live on campus in student housing. Most of the new and large apartment buildings near UMD and CSS continue to have higher rents and lower vacancy rates compared to the rest of the housing market.

The average lifespan of a house, according to HUD, is 40 to 50 years with significant annual maintenance. . In the American Community Survey (2013-2017), of the 38,461 total housing units in Duluth, 43.5% of Duluth's units were built before 1940. Minnesota has 16% of its total housing stock that was built before 1940 compared to 15% nationally. According to a market study conducted by Maxfield Research Inc. in 2019 for the Duluth Economic Development Authority and Duluth Housing and Redevelopment Authority, the City of Duluth needs to add 3,632 units to accommodate population growth.

Describe the need for specific types of housing:

Most of Duluth's housing stock requires significant upgrades. As Duluth grows economically, attracting jobs in health care, airplane manufacturing, and engineering, population is also projected to grow. A study conducted by Maxfield Research Inc. found that the current housing stock cannot accommodate the growth in population. Some issues that were highlighted by the study were that there has been limited development of new affordable rental housing targeted to low- and moderate-income households. Since 2010, we have identified a total of 1,096 units of market rate housing either delivered or under construction and 194 units of deep-subsidy or affordable housing delivered. According to the 2019 Update of Affordable and Workforce Housing Needs Report, an estimate of the following affordable housing demands from 2019 to 2024 are to be considered: Single-family- 87 units, Owned multifamily -36 units, Subsidized Rental (50% or less AMI)-2,202 units, Affordable Rental (50% to 80% AMI)-1,010 units, Active Adult (55+) Senior (50% to 60% AMI)-297 units, Another example of the limitations of an old housing stock was explained to the Community Development staff at an open house in the Lincoln Park Neighborhood. A young couple explained their experience looking to purchase a house in the neighborhood. Most of the houses were built before the 1950's and required many substantial upgrades. Upgrades include weatherization, lead paint mitigation, installation of modern appliances, and general maintenance requirements. While most of the homes were affordable even with the upgrades, they could not secure a loan from the bank. The value of the upgrades would not have been reflected in the houses market value thus creating a value gap at which a commercial bank

would not support. With the need for 3,632 new housing units by 2024 the City of Duluth believes that a varied approach to new housing is necessary. There needs to be an increase in supply of all types of housing units including rental, owner occupied, affordable, and market rate.

Discussion

The housing market analysis shows the following:

- Public and housing choice voucher programs cannot meet the demand for affordable housing.
- Duluth has a low 3.9% vacancy rate.
- Student housing creates additional demand for rental units.
- New construction will be needed to increase the supply of all types of housing, with an emphasis on subsidized and affordable rental units.

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

Current housing market data is taken from the "City of Duluth 2018 Housing Indicator Report - Released April 2019." This report is published annually, and is available on the City of Duluth's website..

- Households that are in the Extremely Low Income (30% or less of area median income) bracket, based on paying 30% of income towards housing, cannot afford anything other than an efficiency unit in Duluth.

- Households that are at or below 50% of area median income cannot afford a 2+ bedroom house to purchase but can afford a 2 bedroom unit to rent.

- Households that are near the 80% of area median income can afford to purchase or rent 2 and 3 bedroom homes in Duluth.

- While there is increase need for affordable housing for extremely low income residents, using federal assistance has helped St. Louis County provide at least some relief to about half of those who need it.

Cost of Housing

| | Base Year: 2009 | Most Recent Year: 2015 | % Change |
|----------------------|-----------------|------------------------|----------|
| Median Home Value | 150,300 | 147,800 | (2%) |
| Median Contract Rent | 621 | 664 | 7% |

Table 29 – Cost of Housing

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

| Rent Paid | Number | % |
|-----------------|---------------|---------------|
| Less than \$500 | 4,215 | 29.9% |
| \$500-999 | 7,640 | 54.2% |
| \$1,000-1,499 | 1,470 | 10.4% |
| \$1,500-1,999 | 535 | 3.8% |
| \$2,000 or more | 230 | 1.6% |
| Total | 14,090 | 100.0% |

Table 30 - Rent Paid

Data Source: 2011-2015 ACS

Housing Affordability

| % Units affordable to Households earning | Renter | Owner |
|---|---------------|---------------|
| 30% HAMFI | 1,685 | No Data |
| 50% HAMFI | 4,430 | 1,535 |
| 80% HAMFI | 9,595 | 4,940 |
| 100% HAMFI | No Data | 7,520 |
| Total | 15,710 | 13,995 |

Table 31 – Housing Affordability

Data Source: 2011-2015 CHAS

| 2017 HUD Income Definitions | Maximum Affordable Housing Payment | Average Rent 2/Bedroom | Average Rent 3/Bedroom | Payment for Median Cost of a Home | Affordability GAP* |
|--|---|---------------------------------------|---------------------------------------|--|-------------------------------|
| Extremely Low 60% of the Sect 8 very low income \$24,600 | \$615 | \$1,062 | \$1,124 | \$1,224 | At least \$447 |
| Low 50% of Median Income \$33,600 | \$840 | \$1,062 | \$1,124 | \$1,224 | At least \$222 |
| Low- Moderate 80% of Median Income \$53,750 | \$1,344 | \$1,062 | \$1,124 | \$1,224 | No gap |

Housing Affordability in Duluth

Monthly Rent

| Monthly Rent (\$) | Efficiency (no bedroom) | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom |
|--------------------------|------------------------------------|------------------|------------------|------------------|------------------|
| Fair Market Rent | 592 | 662 | 848 | 1,099 | 1,364 |
| High HOME Rent | 592 | 662 | 848 | 1,099 | 1,289 |
| Low HOME Rent | 592 | 662 | 803 | 928 | 1,036 |

Table 32 – Monthly Rent

Data Source: HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

No there is not. The City of Duluth has a significant housing need, especially for LMI households.

How is affordability of housing likely to change considering changes to home values and/or rents?

The demographics of those who own or rent their homes may help us to better understand the barriers to affordable housing in Duluth. The gap between homeowners' incomes and renters' incomes appear to be increasing. While homeowners' incomes have steadily increased, renters' incomes have remained stagnant. A household in Duluth would need to make \$52,442 annually to afford a \$174,807 home - the 2018 average home value of an owner occupied single-family home in Duluth.

In 2018, the median selling price for a single-family home in Duluth was \$173,500, which equates to an approximate \$1,118 monthly payment. This mortgage payment in this example is based on a 30-year mortgage with 5% down, 4.5% interest rate, taxes and estimated insurance. According to table 23 on the following page, only a family with a low-moderate median income of \$57,100 could afford to buy a home at this price.

In the rental market, an individual must earn \$47,040 to afford the average two-bedroom apartment at \$1,176 per month. To afford an average three-bedroom apartment at \$1,256, a household would need to earn \$50,240. In this example alone, in one year a three-bedroom apartment saw an 11% increase from 2017 when a three-bedroom apartment cost \$1,124 a month. For the three-bedroom apartment to be considered affordable, the household would require an income of \$50,240, which is \$3,013 more than the median household income.

Another example of housing affordability in Duluth can be based on the area median income that is calculated and updated annually by HUD for the City of Duluth. The Duluth area median income for a family of four in 2018 was \$57,100. The median divides the household income distribution into two equal parts: one-half falling below the median household income and one-half falling above the median income. According to HUD, an income that is 60% of the Section 8 very-low income standard is considered extremely low-income, and 50-80% of the median income is considered low-income.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

The City of Duluth conducts an annual market rate rental survey. A database is created with information on property managers and rental properties. Property owners and managers are surveyed on rental

rates and vacancy rates. The data is aggregated and the results are calculated by bedroom type, rent range, and geographic location.

HOME / Fair Market Rents are calculated based on the Duluth/Superior Metropolitan Statistical Area (MSA), which includes Duluth and St. Louis County, as well as the City of Superior and Douglas County in Wisconsin. The MSA encompasses large rural areas that have significantly lower rents than the urban areas. Therefore, HOME / Fair Market Rents are skewed below the actual market rents. The Duluth HRA conducted a local survey in a successful effort to increase Housing Voucher rent limits to more closely match actual market conditions in Duluth. Therefore, the HRA's "exception rents" are higher than the published FMRs. For HOME funded rental projects, owners can't accept the full Housing Voucher payment, only that amount under the HOME rent limit. Tenants are unaffected, as their portion of the rent is based solely on a percentage of their income. This is a disincentive to housing developers to participate in the HOME Program due to the reduction in operating income. To date, only non-profit housing developers have utilized HOME funding for the creation of affordable rental units.

Discussion

<p align="LEFT">Households that are in the Extremely Low Income (30% or less of area median income) bracket, based on paying 30% of income towards housing, cannot afford anything other than an efficiency unit in Duluth. Households that are at or below 50% of area median income cannot afford a 2+ bedroom house to purchase but can afford a 2 bedroom unit to rent. Households that are near the 80% of area median income can afford to purchase or rent 2 and 3 bedroom homes in Duluth. While there is increase need for affordable housing for extremely low income residents, using federal assistance has helped St. Louis County provide at least some relief to about half of those who need it.</p>

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

The average lifespan of a house, according to HUD, is 40 to 50 years, without significant annual maintenance. According to the most recent American Community Survey (2008-2012), about half of Duluth’s units were built before 1940. This is significantly higher than Minnesota, where the percent of housing units built before 1940 in the state is 18.1%, and 13.9% for the nation. Properties built prior to 1979 are at risk of containing lead-based paint. In Duluth, 85% of the owner-occupied housing stock, and 81% of the rental stock, were built before 1980. The table below shows about a quarter of owner-occupied homes, and over half of rental units, have at least one housing condition.

Definitions

Duluth’s definitions follow:

Standard Housing Condition Housing which in initial construction quality and current condition is safe, fit for human occupancy, and is structurally sound according to Section 108 of *Duluth Housing Maintenance Code, Chapter 29A*.

Substandard Housing Condition but Suitable for Rehabilitation Any housing unit which does not meet the definition for standard housing condition, or contains lead paint, or could be on the City of Duluth Condemned for Human Habitation, but is not on the City of Duluth Condemned for Demolition list.

Substandard Housing Condition Any housing units that are listed on the City of Duluth Condemned for Demolition list.

Condition of Units

| Condition of Units | Owner-Occupied | | Renter-Occupied | |
|--------------------------------|----------------|-------------|-----------------|------------|
| | Number | % | Number | % |
| With one selected Condition | 4,195 | 20% | 6,920 | 49% |
| With two selected Conditions | 40 | 0% | 620 | 4% |
| With three selected Conditions | 4 | 0% | 35 | 0% |
| With four selected Conditions | 0 | 0% | 0 | 0% |
| No selected Conditions | 17,075 | 80% | 6,515 | 46% |
| Total | 21,314 | 100% | 14,090 | 99% |

Table 33 - Condition of Units

Data Source: 2011-2015 ACS

Year Unit Built

| Year Unit Built | Owner-Occupied | | Renter-Occupied | |
|-----------------|----------------|-------------|-----------------|------------|
| | Number | % | Number | % |
| 2000 or later | 1,460 | 7% | 1,185 | 8% |
| 1980-1999 | 1,870 | 9% | 1,580 | 11% |
| 1950-1979 | 6,845 | 32% | 4,770 | 34% |
| Before 1950 | 11,145 | 52% | 6,550 | 46% |
| Total | 21,320 | 100% | 14,085 | 99% |

Table 34 – Year Unit Built

Data Source: 2011-2015 CHAS

Risk of Lead-Based Paint Hazard

| Risk of Lead-Based Paint Hazard | Owner-Occupied | | Renter-Occupied | |
|---|----------------|-----|-----------------|-----|
| | Number | % | Number | % |
| Total Number of Units Built Before 1980 | 17,990 | 84% | 11,320 | 80% |
| Housing Units build before 1980 with children present | 710 | 3% | 395 | 3% |

Table 35 – Risk of Lead-Based Paint

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

| Age of Duluth's Housing Stock and Predicted Occurrence of Lead-Based Paint | | | |
|--|-----------------|---|----------------------------------|
| Year Built | Number of Units | Percentage of Units with Lead-Based Paint | Number of Lead-Based Paint Units |
| Post 1980 | 6,304 | 0% | 0 |
| 1960 - 1979 | 6,634 | 62% | 4,113 |
| 1940 - 1959 | 7,723 | 80% | 6,178 |
| 1939 or Earlier | 17,529 | 90% | 15,776 |
| Total | 38,190 | | 26,068 |

Sources: U.S. Census Bureau, 2008 – 2012 American Community Survey

Lead-Based Paint by Age of House

Vacant Units

| | Suitable for Rehabilitation | Not Suitable for Rehabilitation | Total |
|------------------------|-----------------------------|---------------------------------|-------|
| Vacant Units | 198 | 15 | 213 |
| Abandoned Vacant Units | 14 | 0 | 14 |
| REO Properties | 0 | 0 | 0 |

| | Suitable for Rehabilitation | Not Suitable for Rehabilitation | Total |
|--------------------------|-----------------------------|---------------------------------|-------|
| Abandoned REO Properties | 0 | 0 | 0 |

Table 36 - Vacant Units

Data Source Comments:

Need for Owner and Rental Rehabilitation

The majority of Duluth's housing stock was built more than 50 years ago. 54% of owner occupied and 48% of rental units were built before 1950. Furthermore, units built before 1980 make up 85% of owner occupied and 80% of rental units. This means over 80% of housing units in Duluth are at least 35 years old. The majority of aging housing stock is located in the older, core neighborhoods of Duluth, where there is also a higher concentration of low to moderate income people. The average lifespan of a house, according to HUD guidelines, is 40-50 years without significant annual maintenance. When older housing stock lacks routine maintenance, it will become substandard. Census data indicates that the percentage of renters and homeowners experiencing housing problems correlates closely with household income. Housing repair and rehabilitation issues that are not addressed will lead to more condemned housing units that are unsafe for habitation. Given the age of housing stock in Duluth, rehabilitation will continue to be an important focus.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Lead-based paint was banned from residential use in 1978. In spite of this, lead poisoning remains a serious problem, especially in older housing units that tend to have paint with higher concentrations of lead, more coats of paint, and larger areas covered with lead-based paint.

Data from the U.S. Census Bureau's American Community Survey indicates that two-thirds of Duluth's homes are 60 years old or older, compared to one-third of homes statewide. Of Duluth's housing stock, 90% was built before lead-based paint was removed from the market. According to HUD's 1991 report to the U.S. Congress, an estimated 90% of homes built before 1940 contain lead-based paint, as do 80% of those built between 1940 and 1959, and 62% between 1960 and 1978. The following table provides an estimate of the number of homes in Duluth containing lead-based paint.

Of the 26,068 homes with lead-based paint, approximately 10,427 are occupied by low- to moderate-income households, including 3,645 households at or below poverty level. The default data that populated the "Risk of Lead-Based Paint Hazard" table is incorrect for the owner-occupied housing units built before 1980 with children present.

Discussion

While the housing stock in Duluth is livable it is old and in need to renovation. While most homes have access to complete plumbing facilities and kitchen facilities there is still a risk of Lead Paint Based Hazards. In many neighborhoods, houses are in need of repair but ability to obtain loans for renovation from commercial banks is limited.

While the housing stock in Duluth is livable it is old and in need to renovation. While most homes have access to complete plumbing facilities and kitchen facilities there is still a risk of Lead Paint Based Hazards. In many neighborhoods, houses are in need of repair but ability to obtain loans for renovation from commercial banks is limited. HOME Program after rehab value limits are not adjusted to the size of single family homes. Therefore it is difficult to use HOME funds to rehab three or more bedroom homes to accommodate families.

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

The Duluth Housing and Redevelopment Authority (HRA) manages public housing and Section 8 Housing Choice vouchers. Not out of the ordinary, there is currently a waiting list for vouchers and public housing. The number of families or individuals on the list has increased since the last consolidated plan submitted in 2015. However, the supply of accessible units in public housing is adequate to match the demand with consideration to the waitlist size.

Totals Number of Units

| | Program Type | | | | | | | | |
|---|--------------|-----------|----------------|----------|----------------|---------------|-------------------------------------|----------------------------|------------|
| | Certificate | Mod-Rehab | Public Housing | Vouchers | | | | | |
| | | | | Total | Project -based | Tenant -based | Special Purpose Voucher | | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program | Disabled * |
| # of units vouchers available | 0 | 24 | 1,152 | 1,467 | 77 | 1,390 | 0 | 0 | 0 |
| # of accessible units | | | | | | | | | |
| *includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition | | | | | | | | | |

Table 37 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

There are 1,008 number of public housing units in Duluth and all units are considered to be in generally good condition. In the most recent Public Housing Agency plan, 81 scattered site units have been identified as over 75 years old. It is under consideration by the HRA that if the costs to maintain these older units becomes too burdensome, it would be an appropriate option to demolish or dispose of the units. Currently there is a plan to dispose of only two on the units- a duplex building.

Public Housing Condition

| Public Housing Development | Average Inspection Score |
|----------------------------|--------------------------|
| | |

Table 38 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

In the previous consolidated plan, submitted 2015, the HRA intended to submit an application to the Rental Housing Assistance Demonstration (RAD) program that helps provide alternative funding for public housing improvements. Since then, the HRA has continued to explore this option of RAD-PBRA and/or RAD-PBV for its high-rise buildings along with Section 22 Streamlined Voluntary Conversion for remaining smaller scaled units. Additionally, the HRA has a five-year capital fund plan for capital improvements that is approved by HUD. The HRA has two POHP (general obligation bond) awards from MN Housing totaling approximately \$1.4 Million. These POHP funds will be used at Ramsey Manor for a waste line replacement project and a window replacement project.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

The HRA has no plans to demolish any public housing units beyond one scattered site with 2 units this year. The HRA stays on top of the physical needs of public housing properties. There are two full time community police officers for safety, and the HRA is in the process of hiring a service coordinator to work with residents on resources, referrals, and other needs.

Discussion:

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

As the largest metropolitan city in St. Louis County, Duluth has a proportionally larger population of homeless individuals and families than the other parts of St. Louis County. As such, Duluth has developed a strong network of housing and programs that serve the homeless. The City contributes funding to the Coordinated Entry coordinator who manages the system. The entry into the homeless system will be facilitated by a pre-screening process through a 211 referral and access and assessment through area agencies—CHUM Emergency Shelter, the American Indian Community Housing Organization’s Dabinoo’lgan (DV) Shelter or their American Indian Housing Resource Center, the Safe Haven (DV) Shelter, The Salvation Army (supportive service program) or the Life House Center (Youth).

Prevention and diversion, and access to transitional housing, permanent supportive housing, Tenant-Based Rental Assistance Vouchers, and other HUD supported housing will be facilitated through the Coordinated Access and Assessment System and directed to the appropriate type of housing based on their assessment scores. Data in table MA-19 reflects the numbers of beds available for homeless populations in Duluth and the number of beds for targeted populations.

Individual and families who are homeless or at-risk of homelessness can access the programs and supportive services described above at the CHUM shelter, located in the Central Hillside CDBG Target neighborhood or the American Indian Community Housing Organization, also located in the Central Hillside neighborhood. People can access the same types of services at the Salvation Army, located in the Lincoln Park CDBG neighborhood located in the western part of the city. Homeless and at-risk youth can access similar programs and services tailored to the unique needs of youth at the Life House Center in the Central Hillside neighborhood.

Housing and supportive services tailored specifically for veterans and their families who are homeless or at risk of homelessness are available through the Minnesota Assistance Council for Veterans (MACV), a statewide veterans’ service agency with offices and housing facilities in Duluth.

Facilities and Housing Targeted to Homeless Households

| | Emergency Shelter Beds | | Transitional Housing Beds | Permanent Supportive Housing Beds | |
|---|---------------------------------|------------------------------------|---------------------------|-----------------------------------|-------------------|
| | Year Round Beds (Current & New) | Voucher / Seasonal / Overflow Beds | Current & New | Current & New | Under Development |
| Households with Adult(s) and Child(ren) | 52 | 0 | 126 | 270 | 44 |
| Households with Only Adults | 78 | 32 | 14 | 131 | 0 |
| Chronically Homeless Households | 0 | 0 | 0 | 33 | 0 |
| Veterans | 0 | 0 | 9 | 17 | 0 |
| Unaccompanied Youth | 0 | 0 | 22 | 0 | 7 |

Table 39 - Facilities and Housing Targeted to Homeless Households

Data Source Comments:

Additional Text Related to Facilities

The facilities identified above provide a wide range of supportive services to homeless persons and those at-risk of becoming homeless. In addition to the emergency night-shelter, the CHUM congregate facility operates as a day-shelter where people can access additional support services such as hot meals, shower and laundry facilities, nursing services and health education, case management and housing search assistance, employment assistance and social security advocacy. In addition, CHUM provides street outreach and coordinates efforts with the Duluth Police Department,

St. Louis County Health and Human Services, called ‘Assertive Community Treatment’ (ACT), provides outreach to people with mental illness and substance abuse and those identified as long-term and chronically homeless using a ‘harm reduction’ engagement model.

Life House and Lutheran Social Services (LSS) provide street outreach to homeless and at-risk youth and coordinate a similar outreach program called T-ACT (‘Teen- Assertive Community Treatment’). Life House operates a Drop-In Center that provides supportive services for homeless and at-risk youth, including meals, education and employment assistance, mental health assistance, housing search assistance and case management.

Duluth has 49 shelter beds targeted for women fleeing domestic violence, and their children. Of those, ten (10) are prioritized for Native American women and children. The ‘Duluth Model’: a Coordinated Community Response to Domestic Violence, was developed in Duluth. It is a partnership between Domestic Abuse Intervention Program (DAIAP), and criminal justice agencies in the City of Duluth and St. Louis County. The ‘Duluth Model’ recently won an international prize—the 2014 Future Policy Award for Ending Violence against Women and Girls (the Gold Award). It is the first humanitarian policy to be honored in the history of this award. The ‘Duluth Model’ won the award for because the program prioritizes the safety and autonomy of survivors while holding the perpetrators accountable through community-wide coordinated response, that includes the unique partnership between non-profit and government agencies. This approach as inspired violence protection law implementation and the creation of batterer intervention programs across the United States and throughout the world.

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

The City of Duluth supports a wide array of mainstream services. The City of Duluth supports the Duluth at Work program through its CDBG funding. This is an employment program to help those facing barriers to employment. The Duluth at Work program mostly targets extremely low income individuals who are often not deemed to be work ready by the workforce center. The Duluth at Work program brings together several organizations who share best practices in job training, employer relationship building, and screening. The participants in the Duluth at Work program often cannot find assistance through the more traditional workforce center. These two programs work together to help low income individuals gain job readiness skills and job training. They help connect participants to employers. The Duluth at Work program uses benchmarks to reward agencies whose participants remain employed for 2 years, gain a 25% increase in wages, and are employed full time. These 3 goals help the participant gain the necessary experience to obtain a higher paying job in the future.

The City of Duluth also supports several food access programs through its CDBG program. The Duluth Hunger project is a group consisting of the Salvation Army, Damiano Center, and Churches United in Ministry. These three organizations work to provide meals and operate food shelves. They coordinate with Second Harvest food pantry. Meals are served in a manner to prevent overlap and in geographically dispersed areas in order to provide greater access. There is also a medical food shelf for those individuals with dietary restrictions.

Access to health care is something that is evolving in Duluth. The CDBG program has funded for many years the Lake Superior Community Health Center. This facility has both doctors and dentists. The affordable health care act has helped many low income residents obtain access to health care. Lake Superior Community Health Center and several other partners set up navigators to help low income individuals and households gain access to no cost/ low cost health insurance. Other health agencies that help connect individuals to health care include St. Louis County's Health and Human Services department, Lutheran Social Services, and Community Action Duluth. Furthermore, mental health services are provided by the Human Development Center and Saint Louis County Health and Human Services. Case Management and help with benefits applications, crisis assistance, day treatment, employability, and medication monitor are a few of the services that are available.

The Minnesota Assistance Council for Veterans provides services for veterans. It helps veterans to stabilize living through rent/mortgage assistance and temporary housing, sustainable, living wage employment through training and placement, referral and resolution to civil legal issues, life skills education, money management skills training and financial plan development.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

The agencies that provide housing and support services targeted to homeless individuals and families in Duluth include:

Emergency Shelter

- CHUM Emergency Shelter--44 congregate bed-facility for single men and women and 4 off-site family units
- Safe Haven Shelter for Battered Women--39 beds for single women and women-headed households fleeing domestic violence
- American Indian Community Housing Organization--10 beds for single women/ women-headed families fleeing domestic violence (Native American preference)
- Union Gospel Mission—11 units for single adults who are chronically homeless
- Loaves & Fishes' –8 units for singles and families

Transitional Housing

- American Indian Community Housing Organization-5 units for women-headed families and single women (Native American preference)
- Center City Housing Corporation-21 units for families and single adults and 7 units targeted for youth (services for youth provided by Life House)
- Life House- 4 housing vouchers targeted for homeless youth
- Lutheran Social Services—6 units for homeless youth
- The Duluth Veterans' Place—9 units for homeless veterans
- The Salvation Army –16 units for families

Permanent Supportive Housing

- American Indian Community Housing Organization—29 units for families and 20 vouchers for long-term homeless families (Native American preference)
- Center City Housing Corporation—16 units for families and single women, 6 vouchers for long-term homeless families,
- MACV—12 units for homeless veterans and 5 VASH vouchers.
- YWCA—7 units for homeless youth families (single mothers with children)
- Lutheran Social Services—5 units of permanent supportive housing and 5 units of transitional housing
- The Housing and Redevelopment Authority (HRA) of Duluth provides 49 Shelter+ Care vouchers—CHUM and the Human Development Center provide the services.
- Steve O'Neil- A new Permanent Supportive Housing development that contains 44 units for families

Permanent Housing

- The HRA provides 111 Single-Room-Occupancy (SRO) vouchers for chronic and hardest to house single adults in facilities owned by Center City Housing and the Union Gospel Mission.
- CHUM—5 units of Supportive Housing operated by funds provided by the Duluth ‘Churches United in Ministry’.

One of the objectives in the SLC Continuum of Care Plan is to increase progress towards ending chronic homelessness.

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

Special needs individuals have many options in Duluth for services. Many service providers have leveraged funding sources to create a robust network of resources. The City of Duluth has categorized many of these services as medium or low priority for CDBG funding due to the availability of other funding sources.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

According to 2013-2017 ACS estimates, nearly 17,000 housing units, or 44% of all the housing units in Duluth were built 80 or more years ago. The upkeep of such old housing can often be too expensive for low-to-moderate income households and needed maintenance and repairs are often deferred due to cost. These households often experience energy cost burned because of the old, inefficient, heating/cooling and insulations systems. The large share of old housing stock also affects the accessibility of housing because most homes in Duluth were built before building codes existed that required ADA complaint accessible housing. According to 2013-2017 ACS estimates, just over 11,000 people or 13% of the population in Duluth have a disability. Finding available, affordable, accessible housing units is an issue for many people with disabilities. Additionally, visitability, or being able to visit other homes and locations in the community, is an issue for many people with disabilities due to the age of buildings and the number of older buildings that lack ADA accessibility. Outreach conducted for the Consolidated Plan showed that some individuals identified having a limited choice of accessible housing as one of the biggest obstacles they faced in finding housing identified that they were treated differently than other people looking for housing due to a disability. The age and accessibility of Duluth's building stock also affects the aging population, many of whom begin to have mobility impairments as they age. According to 2013-2017 ACS estimates nearly 13,000 people or 15% of Duluth's population are age 65 years or older. This is an increase of about 2,000 people 65 years or older from the 2010 Census. There are about 2,000 people 85 years and older in Duluth. Nearly 25% of people ages 65-74 have a disability and 46% of people age 75 and older have a disability. 14% of the population age 65 and older have an independent living difficulty. Special needs also include persons with severe mental illness. Human Development Center (HDC) is one organization that provided psychiatric and psychological services to nearly 1,500 adults with serious mental illness in the last year. Persons with mental health issues continue to be problematic in the homeless population. Many service providers who work with the homeless continually report working with those who experience extreme mental illness. Duluth, like much of the country is in the midst of an opioid and meth epidemic. In 2018 the DPD made 320 arrests

for driving under the influence and 193 arrests for narcotics. From January to September of 2019 the Duluth Police Department made 231 arrests for driving under the influence and 180 arrests for narcotics. According to the commander of the Lake Superior Drug and Violent Crime Task Force northeastern Minnesota has one of the highest per capita opioid-related death rates in the state. For more than three years DPD officers have been trained and equipped with the overdose reversal drug Narcan. In the first six months of 2019 there were 62 reported opioid-related overdoses in Duluth. Five of them were fatal and more than 75% of the overdose victims were revived with Narcan. In 2017 the Center for Alcohol and Drug Treatment added an opioid withdrawal unit. In early 2019 the Duluth Police Department created a new position of opioid program technician whose job is to follow up with overdose victims and provide chemical-dependency assessment referrals. In September 2019 the U.S. Drug Enforcement Administration announced its intent to post two DEA agents and two federally deputized officers in Duluth with the goal of targeting drug trafficking in the area.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The Bob Tavani Medical Respite House provides four beds of housing to people discharged from a hospital but without a home so they can recuperate fully in a welcoming environment. Also Street Outreach staff employed by the CHUM and the community mental health center coordinate with detox, residential mental health programs, hospitals, corrections, and other institutions at discharge to ensure transitions are coordinated. Stakeholders meet weekly to discuss complex cases and work out housing solutions.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

For the 2020 program year, the City will providing funding for Decker Dwelling, a new rental development that will providing housing for 42 LMI households. The developer, One Roof, will be coordinating supportive services with providers. The City will also be providing funding for the Birchwood Development, a 30 unit building for LMI people with disabilities and will be providing supportive services for the individuals. The City also allocates funding to agencies for case workers to provide the supportive services.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs

identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

For the 2020 program year, the City will providing funding for Decker Dwelling, a new rental development that will providing housing for 42 LMI households. The developer, One Roof, will be coordinating supportive services with providers. The City will also be providing funding for the Birchwood Development, a 30 unit building for LMI people with disabilities and will be providing supportive services for the individuals. The City also allocates funding to agencies for case workers to provide the supportive services.

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

- Cost of construction, including materials and labor
- Shortage of qualified builders which causes difficulty in receiving competitive bids
- Lack of available land, most of the buildable land has been developed.
- Lack of annual budgeted funding to demolish or repair buildings condemned for demolition or human habitation, allowing blight to persist in LMI neighborhoods.
- Limited Minnesota Housing funding for rehab of aging single-family structures occupied by LMI households, which leads to higher maintenance costs.
- Lack of a policy to require improvements to foreclosed properties in LMI neighborhoods that are on the vacant property register.
- Minnesota State Historic Preservation Office policies that create additional rehab costs, such as wooden windows and doors repaired rather than replaced by new historically designed materials.
- Outdated historic property references that trigger SHPO review of affordable housing rehab projects on buildings not eligible for listing, which increases costs and delays.
- No education requirement for owners and/or managers to secure a rental license.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

Economic Development Market Analysis

Business Activity

| Business by Sector | Number of Workers | Number of Jobs | Share of Workers % | Share of Jobs % | Jobs less workers % |
|---|-------------------|----------------|--------------------|-----------------|---------------------|
| Agriculture, Mining, Oil & Gas Extraction | 206 | 30 | 1 | 0 | -1 |
| Arts, Entertainment, Accommodations | 4,625 | 5,993 | 15 | 11 | -4 |
| Construction | 1,464 | 2,203 | 5 | 4 | -1 |
| Education and Health Care Services | 10,774 | 19,867 | 34 | 37 | 3 |
| Finance, Insurance, and Real Estate | 1,865 | 2,568 | 6 | 5 | -1 |
| Information | 525 | 873 | 2 | 2 | 0 |
| Manufacturing | 1,862 | 2,635 | 6 | 5 | -1 |
| Other Services | 1,595 | 2,326 | 5 | 4 | -1 |
| Professional, Scientific, Management Services | 2,336 | 3,804 | 7 | 7 | 0 |
| Public Administration | 0 | 0 | 0 | 0 | 0 |
| Retail Trade | 4,304 | 5,646 | 14 | 11 | -3 |
| Transportation and Warehousing | 1,322 | 5,992 | 4 | 11 | 7 |
| Wholesale Trade | 882 | 1,313 | 3 | 2 | -1 |
| Total | 31,760 | 53,250 | -- | -- | -- |

Table 40 - Business Activity

Data Source: 2011-2015 ACS (Workers), 2015 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

| | |
|--|--------|
| Total Population in the Civilian Labor Force | 47,445 |
| Civilian Employed Population 16 years and over | 44,100 |
| Unemployment Rate | 7.06 |
| Unemployment Rate for Ages 16-24 | 22.05 |
| Unemployment Rate for Ages 25-65 | 4.39 |

Table 41 - Labor Force

Data Source: 2011-2015 ACS

| Occupations by Sector | Number of People |
|--|------------------|
| Management, business and financial | 9,850 |
| Farming, fisheries and forestry occupations | 1,785 |
| Service | 5,985 |
| Sales and office | 10,685 |
| Construction, extraction, maintenance and repair | 2,235 |
| Production, transportation and material moving | 1,655 |

Table 42 – Occupations by Sector

Data Source: 2011-2015 ACS

Travel Time

| Travel Time | Number | Percentage |
|--------------------|---------------|-------------|
| < 30 Minutes | 36,165 | 88% |
| 30-59 Minutes | 3,805 | 9% |
| 60 or More Minutes | 925 | 2% |
| Total | 40,895 | 100% |

Table 43 - Travel Time

Data Source: 2011-2015 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

| Educational Attainment | In Labor Force | | Not in Labor Force |
|---|-------------------|------------|--------------------|
| | Civilian Employed | Unemployed | |
| Less than high school graduate | 1,075 | 75 | 930 |
| High school graduate (includes equivalency) | 5,680 | 590 | 2,355 |
| Some college or Associate's degree | 11,250 | 765 | 3,100 |

| Educational Attainment | In Labor Force | | Not in Labor Force |
|-----------------------------|-------------------|------------|--------------------|
| | Civilian Employed | Unemployed | |
| Bachelor's degree or higher | 12,490 | 350 | 1,760 |

Table 44 - Educational Attainment by Employment Status

Data Source: 2011-2015 ACS

Educational Attainment by Age

| | Age | | | | |
|---|-----------|-----------|-----------|-----------|---------|
| | 18–24 yrs | 25–34 yrs | 35–44 yrs | 45–65 yrs | 65+ yrs |
| Less than 9th grade | 45 | 120 | 70 | 175 | 580 |
| 9th to 12th grade, no diploma | 985 | 450 | 510 | 755 | 1,005 |
| High school graduate, GED, or alternative | 2,725 | 1,600 | 1,710 | 5,320 | 4,755 |
| Some college, no degree | 10,645 | 3,115 | 2,495 | 4,870 | 2,300 |
| Associate's degree | 955 | 1,765 | 955 | 1,970 | 460 |
| Bachelor's degree | 1,760 | 3,065 | 2,135 | 4,675 | 1,870 |
| Graduate or professional degree | 120 | 1,125 | 975 | 2,675 | 1,590 |

Table 45 - Educational Attainment by Age

Data Source: 2011-2015 ACS

Educational Attainment – Median Earnings in the Past 12 Months

| Educational Attainment | Median Earnings in the Past 12 Months |
|---|---------------------------------------|
| Less than high school graduate | 17,107 |
| High school graduate (includes equivalency) | 24,776 |
| Some college or Associate's degree | 29,948 |
| Bachelor's degree | 44,068 |
| Graduate or professional degree | 60,699 |

Table 46 – Median Earnings in the Past 12 Months

Data Source: 2011-2015 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

The major industries in Duluth are Arts, Entertainment, Accommodations, Education and Health Care Services, Retail Trade. In addition, there are number of several large scale construction projects that are increasing the demand for skilled laborers.

Describe the workforce and infrastructure needs of the business community:

Businesses in Duluth are facing workforce shortages, there is a need to increase talent and skills; attract people with the needed skills, and retain the people with the needed skills. Businesses are also working with the City to improve their diversity by employing more people of color and people with disabilities. Currently there is a misalignment between the skills people have and the business/infrastructure needs. The City and employment agencies are working with social agencies to provide different training initiatives to meet the needs of the business community.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

During the next five years, the City of Duluth will have major construction projects, which includes the redevelopment of two regional hospital systems resulting in new medical facilities and a major high interchange reconstruction project. There are also other big box developments and multifamily developments. Currently there is a shortage of workers who have the skill set to work on construction projects and who can work in the medical field. Duluth also has aviation manufacturing that is expanding their plant. The employment opportunities are also attracting people from other areas, increasing the demand for housing in Duluth.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

There is a mis-alignment between the skills of the current workforce and current and future employment opportunities. The City has implemented a Community Benefits Program to assist with job training. The City and employment agencies are working with the school district, universities, hospitals, and employers to provide and increase educational and job training programs.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

The City is working with the Construction, Healthcare, Manufacturing and Aviation Workforce Sectors to increase training initiatives. The City has used CDBG dollars to fund the Duluth at Work collaborative which matches participants with employers and has a benchmark system that requires gaining employment, being employed for two years, and increasing the participant's income by 25% in two years. The City will continue to adjust this approach to ensure it is meeting the community's needs.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

No

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

Discussion

The City of Duluth and partner organizations recognize that there is a skills mis-alignment in the community and are actively working to provide the training for the needed skills, aka "upskilling" people. The City and partner organization and businesses also recognize there is a diversity gap and are actively working to provide the training and opportunities to address this gap. The City and partner organization also recognize that people with barriers need additional assistance to become employed and are working with social service agencies to tailor programs to provide the assistance to the people while helping to reduce the workforce shortage.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

The City of Duluth does not have a problem with multiple housing problems being concentrated in an area. There are areas where housing cost burden is a problem but the other housing problems such as substandard housing and overcrowding are not significant for LMI households.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

As mentioned above, the population of people of color (POC) in Duluth is small so it is hard to show any statistically significant trends or difference when focusing on one racial group other than white people. If we combine all people of color into one group and compare to statistics about Duluth as a whole or to the white population it is easier to see statistically significant trends and differences. The overall population of people of color in Duluth, according to the 2013-2017 ACS estimates is 8,698 people or 10% of the population. There are a few neighborhoods that are home to a disproportionately higher share of people of color: the Central Hillside (24% POC), East Hillside (16% POC), and Lincoln Park (17% POC). These neighborhoods are home to just 25% of the total population of Duluth, but are home to 41% of Duluth's total population of people of color.

These three neighborhoods are also some of the lowest income neighborhoods in the City. Duluth's overall poverty rate is 20% of the population living with income below poverty. In both the Central and East Hillside neighborhoods, 36% of the population is living with income below poverty level and in Lincoln Park 26% of the population is living with income below poverty level. These census tracts make a large portion of CDBG eligible block groups. The block groups are clustered together in these areas. These are both issues the Planning & Development staff and Community Development Committee are aware of when awarding subgrantee contracts.

What are the characteristics of the market in these areas/neighborhoods?

According to the 2013-2017 ACS 5-year estimates:

Citywide: 86,066 residents; 75% of working age adults are employed; 23% of workers earn \$15,000 or less per year, 37% of workers earn \$15,001-\$39,999 per year, and 41% of workers earn \$40,000 or more per year

Lincoln Park: 5,843 residents; 71% of working age adults are employed; 25% of workers earn \$15,000 or less per year, 47% of workers earn \$15,001-\$39,999 per year, and 28% of workers earn \$40,000 or more per year

Central Hillside (including Park Point): 8,261 residents; 66% of working age adults are employed; 30% of workers earn \$15,000 or less per year, 38% of workers earn \$15,001-\$39,999 per year, and 32% of workers earn \$40,000 or more per year

East Hillside: 7,543 residents; 77% of working age adults are employed; 27% of workers earn \$15,000 or less per year, 42% of workers earn \$15,001-\$39,999 per year, and 31% of workers earn \$40,000 or more per year

Are there any community assets in these areas/neighborhoods?

Lincoln Park-close to the interstate, new businesses are opening, Wade Stadium, new middle school, located on the St. Louis River Corridor. In addition there is Community Action Financial Opportunity Center.

Hillside-located in the core of the Duluth, includes downtown (with theaters, hospitals, and the skywalk system) and has multiple parks. Has many active community groups and new developments. In addition there are social services and resources.

Are there other strategic opportunities in any of these areas?

Lincoln Park- in 2014 the City of Duluth updated the Small Area Land Use Plan and the City will be developing an economic/tourist oriented plan for the St. Louis River Corridor.

Hillside- residential developments (Build-Up Duluth); commercial structures (including a 14 story office building and a transit center); hospital campus redevelopments and new housing

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

Broadband wiring and connections are essential for households in terms of education, social connectivity and employment. Many structures in low to moderate-income neighborhoods were built prior to 1940, therefore may not have the necessary wiring creating limited technological access. Community oriented agencies such as LISC, Ecolibrium 3 and Zeitgesit have been working with LMI neighborhoods to address this need and developed a Technology Access Collaborative to address the digital divide. According to the 2014-2018 ACS, approximately 3,110 households in the LMI neighborhoods lack internet access.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

Although there are approximately half a dozen broadband internet service providers, their monthly cost are similar that can affect a LMI household of having internet access. According to social workers the costs for data plans and internet access is detrimental and sometimes prohibitive for LMI households. Having a broadband internet provider that would provide the service for low to minimal costs would greatly benefit households.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

In the past 10 years, the City of Duluth has had an increase in erratic severe weather which has been costly. Specifically, the City suffered a flood in 2012 which resulted in at least 47 million dollars in damages; a severe windstorm in 2017 which resulted in at least 3.4 million dollars in costs and many households were without power for weeks, and in 2018 the City suffered another major storm that resulted in at least 18.4 million dollars in damage. It is assumed that the increased frequency and severity of these storms is due to climate change. The 2040 Imagine Duluth Comprehensive Plan that was adopted on June 25, 2018 contained a chapter, "Energy and Conservation" to help address climate change, "In the 2017 State of the City address, Mayor Larson called for recognition of the science underpinning climate change and for the City to reduce its carbon footprint."

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

According to the U.S. Department of Housing and Urban Development (HUD), the average lifespan of a single-family home is 40-50 years without significant annual maintenance. The American Community Survey for 2019 indicated that of the 38,485 housing units in Duluth, 44% were built before 1940, compared to 16.1% of Minnesota's total housing stock and 12.8% nationally. The majority of these housing units are located in LMI Census tracts and occupied by LMI households. These housing units have minimal insulation and increased structural integrity concerns, especially because these units are over 80 years old and have had little on-going maintenance. The vulnerability of this situation is a significant concern to the community, therefore housing rehab and weatherization programs are an important goal for the community.