



Planning & Development Division
Planning & Economic Development Department

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Fiscal Year 2023 Community Needs Assessment Summary

Community Development Funding Program Overview

The City of Duluth is an Entitlement Community as defined by the Department of Housing and Urban Development (HUD), which means that the City receives about \$3 million in community development funds each year. These funds assist households with low- and moderate-incomes (up to \$68,250 for a family of four in 2022) and neighborhoods where most of the residents have low- and moderate-incomes. Annual funding sources include Community Development Block Grants (CDBG), the HOME Investment Partnership (HOME) Program, and the Emergency Solutions Grant (ESG) Program.

The city's Planning & Development Division collaborates with many community organizations to support low- and moderate- income individuals and the neighborhoods in which they live. This includes improving housing stock, increasing economic self-sufficiency, and supporting social programs in the city. To help understand the critical needs in the community and inform the funding priorities for each funding year, the City conducts an annual Community Needs Assessment. The Community Needs Assessment process typically includes a community survey as well as a Public Hearing by the Community Development (CD) Committee. The CD Committee uses the information gathered during the Community Needs Assessment to set funding priorities for the next fiscal year of the Community Development Program.

Fiscal Year 2023 Outreach Methods

To gather input for funding priorities for fiscal year 2023, the City of Duluth asked community members to complete an online survey. The online survey was open from April 29 through May 23, 2022 and this document contains a summary of the findings. Community members will also be invited to submit feedback during a public comment period and attend a public hearing later this year.

Online Survey

Over the course of four weeks in the spring of 2022, our Community Needs Assessment Survey was completed by 156 people. The vast majority of them identified as Community Members (80%, 125 individuals) as opposed to Agency Representatives or Service Providers who work with low- and moderate-income residents in a professional capacity (20%, 31 individuals). Even so, more than 80% of respondents were "somewhat familiar" or "very familiar" with HUD program funding. Based on their reported zip codes, about 44% of survey respondents live in CDBG focus areas (neighborhoods where the majority of residents have low- and moderate-incomes). Many respondents (20%) had difficulty affording their basic needs with their employment income. Survey respondents were overwhelmingly white (88%) and women (67%). While 89% of Duluthians are white, the small number of respondents for this survey means that BIPOC perspectives are likely underrepresented in these results and white

perspectives are likely overrepresented. More details on demographics are included at the end of the report.

Key Findings

The 2023 Community Needs Assessment Survey shows strong support for making affordable housing more accessible for Duluth residents.

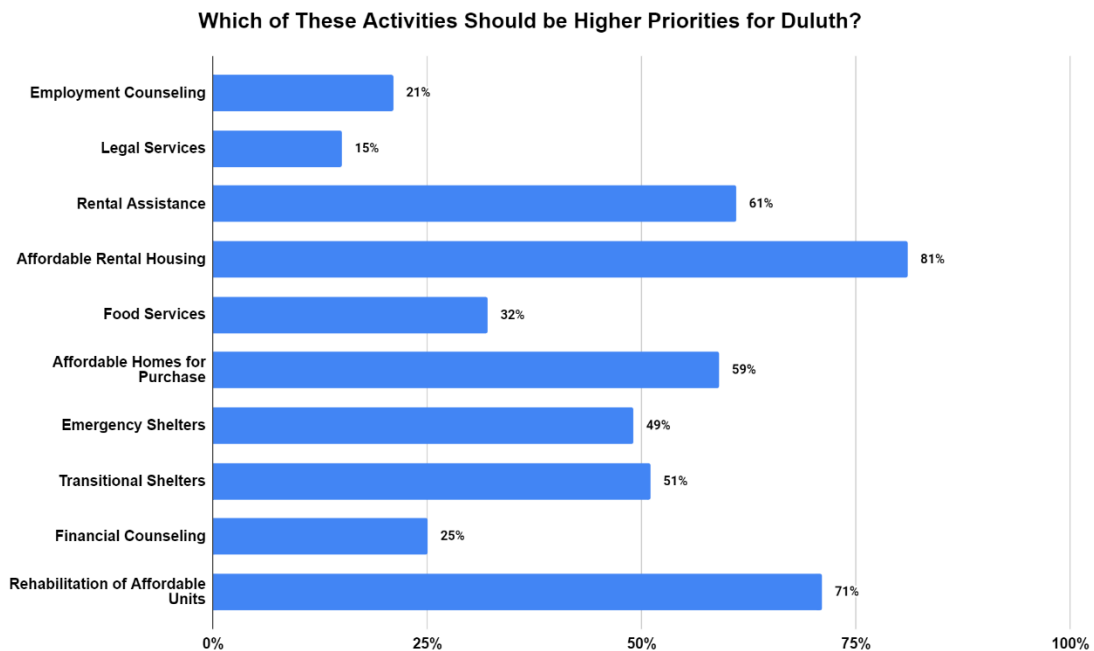
- 81% said Affordable Rental Housing should be a higher priority
- 71% said Rehabilitation of Affordable Units should be a higher priority
- 61% said that Rental Assistance programs should be a higher priority

Respondents also identified Affordable Housing as the most pressing community need supported by CDBG funding. (52%)

Respondents identified New Multi-Family Construction projects as the most pressing community need supported by HOME funding. (24%)

Top Funding Priorities

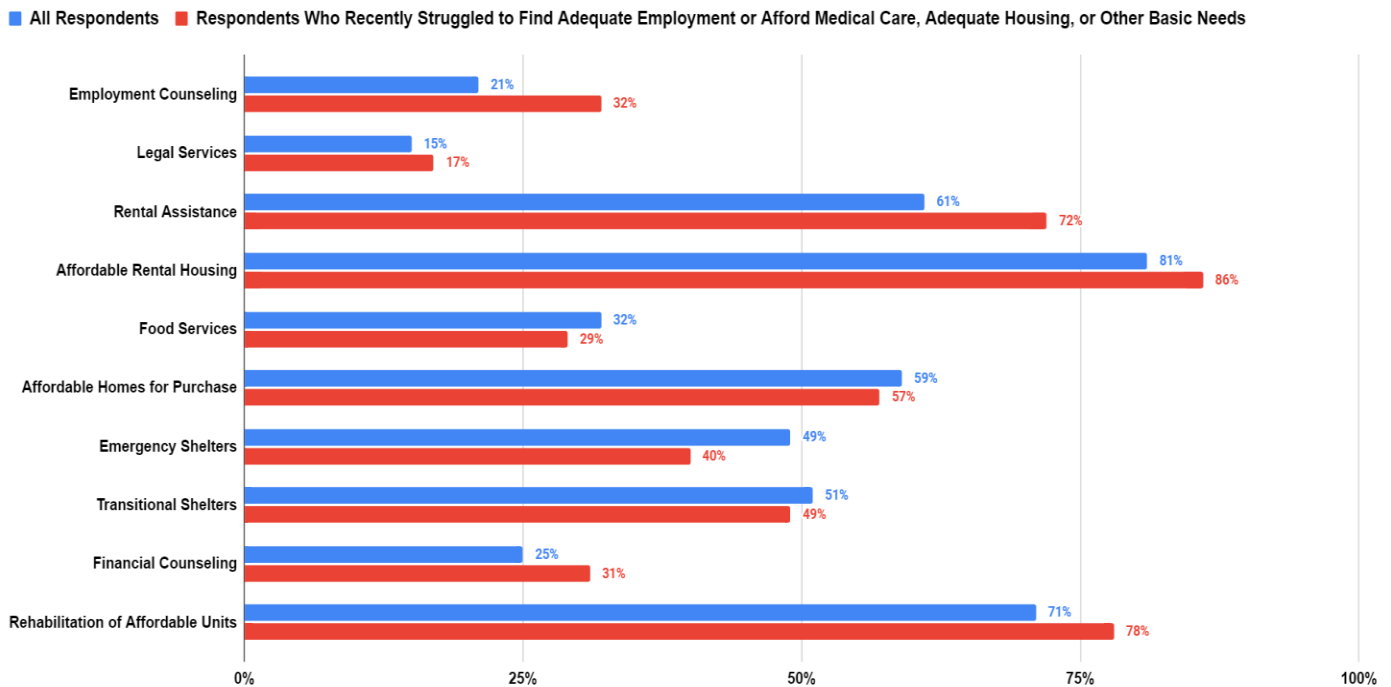
Survey respondents were first asked to consider what HUD program activities should be higher and lower priorities in general, before sharing their opinions about specific funding allocations. These responses show a clear interest in making affordable housing a higher priority for the City of Duluth: “Creating Affordable Rental Housing” (81%) and “Rehabilitation of Affordable Units” (71%) were the most popular selections for activities that should be higher priorities, with “Rental Assistance” (61%) and “Creating Affordable Homes for Purchase” (59%) ranking third and fourth. (Respondents were allowed to vote for more than one activity for this question.)



Identifying programs that should be lower priorities is a challenge in a city with such clear need for supportive services, but a clear trend emerged from these survey responses as well. Respondents were most willing to make “Legal Services” (16%) and “Financial Counseling” (12%) lower priorities, with “Food Services” (10%) and “Employment Counseling” (10%) ranking third and fourth. (Respondents were allowed to vote for more than one activity for this question.)

The survey responses show strong support for making affordable housing programs a higher priority, and that support is even stronger among respondents who experienced challenges common among low- and moderate-income communities during the past year. Sixty-five individuals (44%) shared that they had recently struggled to access medical care, meet basic needs, find adequate employment, or find adequate housing. Among these respondents, 86% said that “Creating Affordable Rental Housing” needed to be a higher priority for Duluth. “Rehabilitation of Affordable Housing Units” (78%) and “Rental Assistance” (72%) were also even more popular among this population than among survey respondents as a whole.

Which of These Activities Should be Higher Priorities for Duluth?

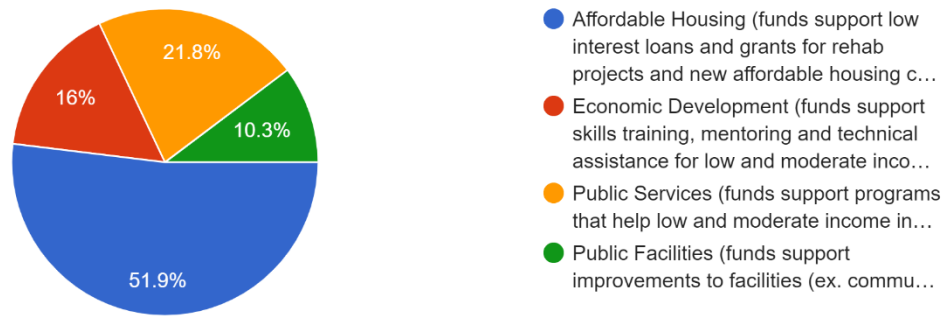


CDBG Program Funding

Survey respondents were asked which CDBG program category addresses the most pressing need for our community and 51% of respondents chose Affordable Housing. Of those respondents, most (88%) also said that funding should be increased for CDBG Affordable Housing programs.

Which of the following CDBG Program Categories addresses the most pressing needs in our community?

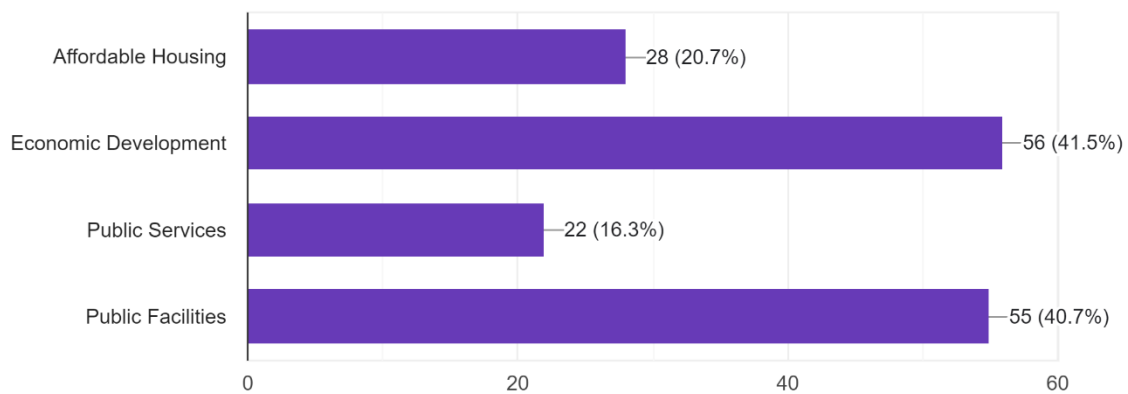
156 responses



Respondents were also asked which programs should lose funding if more money were allocated towards more urgent priorities. No funding category received a majority vote, but 36% of respondents were willing to cut Economic Development and 35% were willing to cut Public Facilities. Only 18% were willing to cut Affordable Housing and 14% were willing to cut Public Services. **(Note that only 135 people responded to this question.)**

If yes, which program categories should have funding decreased in order to allow for that increase? CHECK ALL THAT APPLY.

135 responses



Among the 71 respondents who said funding should be increased for Affordable Housing programs, 39% said funding should be cut from Public Facilities programs and 41% said funding should be cut from Economic Development programs.

Respondents were also asked to share any additional thoughts related to CDBG funding. A selection of those comments are included below:

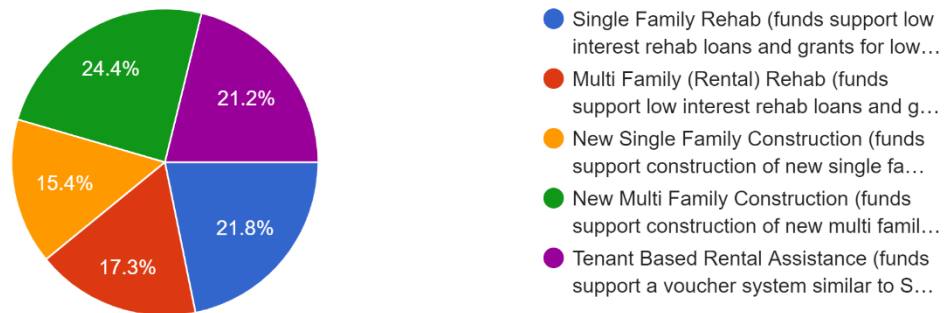
- “An increase in economic development can equal a decrease in demand of public services.”
- “Be sure to include accessibility for people with disability in your planning.”
- “our existing housing stock needs support and investment - invest in rehabbing older homes, over building new. this helps to remove blight and up-lift existing neighborhoods struggling with disinvestment. while sometimes more expensive than starting with a clean slate, it is an important and much needed investment for the long-term health of our housing stock, community, and neighborhoods.”
- “We need to focus on affordable mixed use housing, all housing complexes should have a percentage that have to be low income. We can't isolate low income people as they are a part of our community and deserve respected and given a chance to live a full life. When we only build low income housing that is segregated to specific areas we are created a separate and not equal space for people in this town.”
- “More assistance to help people get jobs”
- “People need good paying jobs and daycare for their children.”
- “I believe it is important to focus on the working poor and get them help to move up with better employment and home ownership. It's hard not to support the most needy because that is the most dramatic (homeless and hungry) but that is a bandaid and NOT a solution.”

HOME Program Funding

Survey respondents were asked which HOME program category addresses the most pressing need for our community and 24% of respondents chose New Multi-Family Construction. Of the 38 respondents who named New Multi-Family Construction our city’s most pressing need, 32 also said that funding should be increased for that program.

Which of the following HOME Program Categories addresses the most pressing needs in our community?

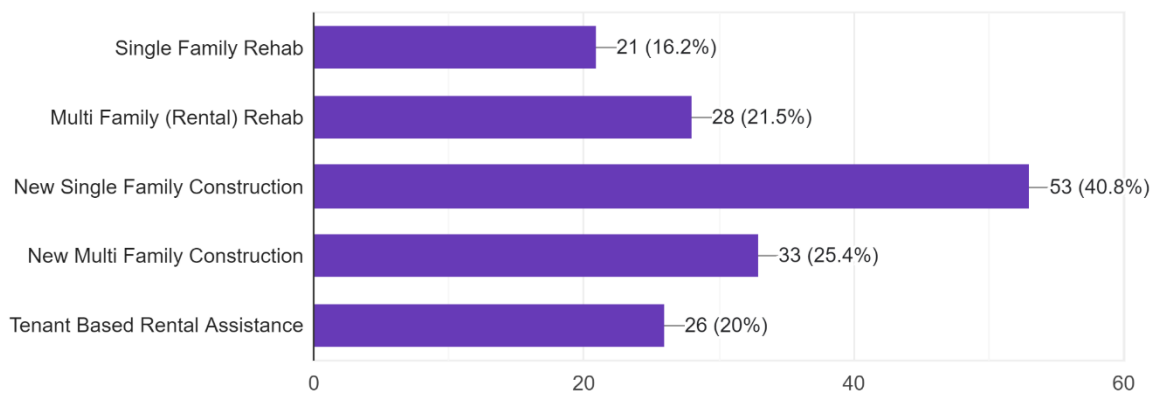
156 responses



Respondents were also asked which programs should lose funding if more money were allocated towards more urgent priorities. No funding category received a majority vote, but respondents were more willing to cut funding for New Single Family Construction. **(Note that only 130 people responded to this question.)**

If yes, which program categories should have funding decreased in order to allow for that increase? CHECK ALL THAT APPLY.

130 responses



Respondents were also asked to share any additional thoughts related to HOME funding. A selection of those comments are included below:

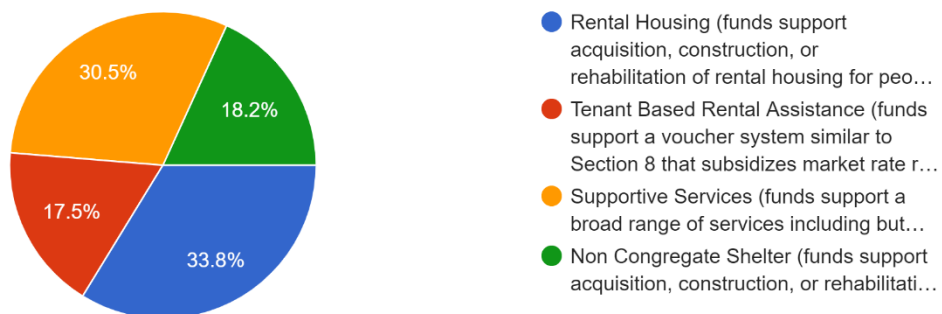
- “I’m a single mother and struggle to keep my home maintained being a homeowner. I work 40 plus hours a week to pay my bills without assistance. A grant to help with a new roof would help but unless I make under a certain amount, I don’t qualify. I can’t take too much more on with the debt I have paying house bills and the rising costs of food and heat bills.”
- “I’d support funding new or rehab multi-family units that are not rentals”
- “I wish housing options could include some sort of co-housing (shared common areas like kitchen and living room with private rooms/bathrooms for multi-generational families or families of choice.”
- “Your question of which category is “most pressing” looks for the most dramatic but if we don’t fund those that are working hard to get ahead, we support those that have given up trying. We must do both, but the working poor are too busy working to reach out to programs and they need to be supported.”

HOME-ARP Program Priorities

Survey respondents were asked which HOME-ARP program category addresses the most pressing need for our community and appear split between Rental Housing (33.8%) and Supportive Services (30.5%) as the best way to spend this one-time allocation from HUD.

Which of the following HOME-ARP Program Categories addresses the most pressing needs in our community?

154 responses



Respondents were also asked to share any additional thoughts related to HOME funding. A selection of those comments are included below:

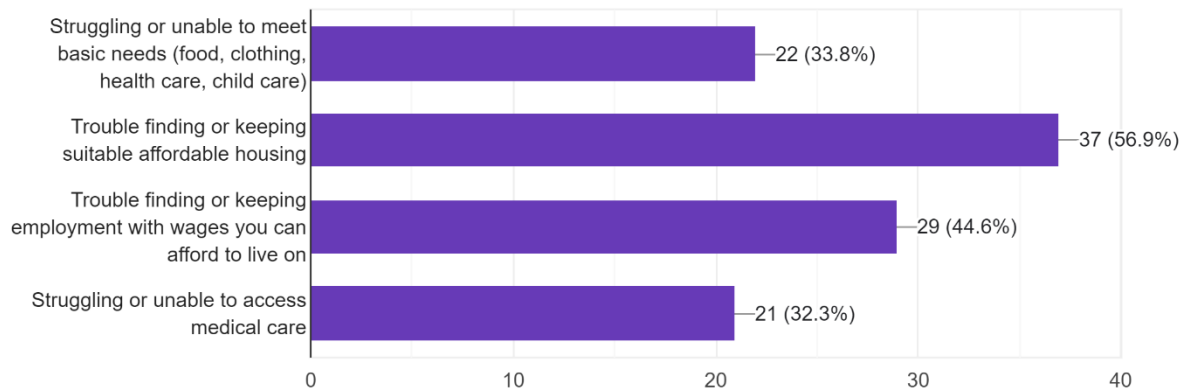
- “All four categories are critically important”
- “Assistance is the most pressing need, but is only a band-aid for the issue. Fund more units - rehab, new construction, etc”

Survey Respondent Demographics

Sixty-five of our 156 respondents shared that they have struggled recently to access medical care, find adequate housing, meet their basic needs, or find adequate employment. This group showed a particularly strong preference for increasing funding for affordable housing programs. (See *supra*, p.3) **(Note that only 65 people (44% of total survey participants) responded to this question.)**

Which of the following, if any, have you or your family experienced in the past year? Please select all that apply.

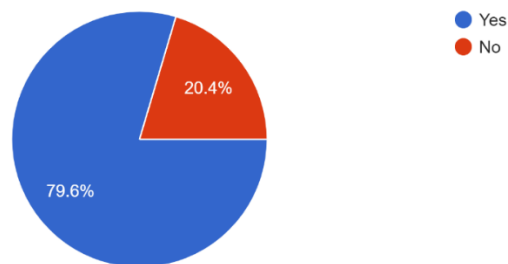
65 responses



Still, the vast majority of our survey respondents reported more stability.

Can your household currently afford all of its food, clothing, health care, transportation, child care, and housing needs using only household members' employment income(s)?

152 responses



Zip codes in the Lincoln Park (20%) and Lakeside (16%) neighborhoods were most strongly represented and about 44% of survey respondents live in CDBG focus areas (neighborhoods where the majority of residents have low- and moderate-incomes). The full demographic breakdown is below:

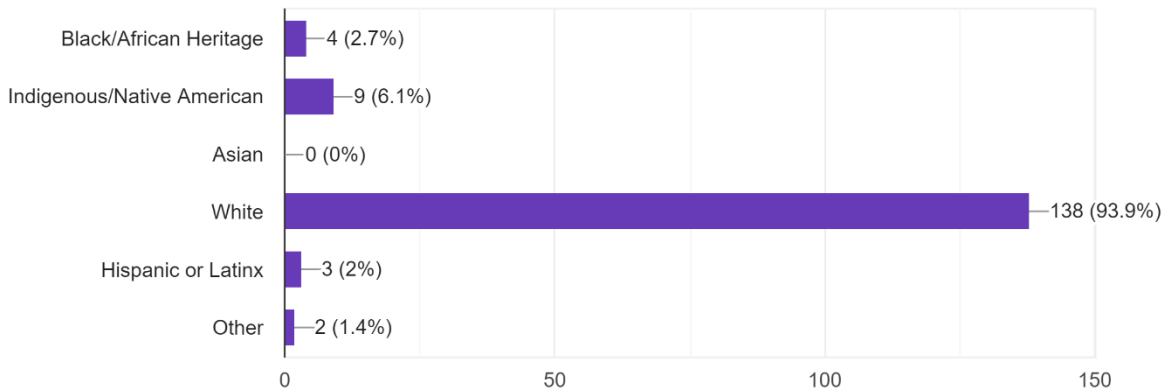
Gender Identity (148 Responses)

Transgender	<1%
Non-binary/non-conforming	3%
Woman	71%
Man	26%

Race & Ethnicity (147 Responses)

What are your racial and ethnic identities? Choose all that apply.

147 responses



Zip Code (149 Responses)

55708	<1%
55720	<1%
55792	<1%
55802	5%
55803	10%
55804	16%
55805	13%
55806	19%
55807	7%
55808	7%
55810	<1%
55811	11%
55812	6%

