



*Duluth Community Development Program Mission is to invest in community programs that help low to moderate income people by addressing **basic needs**, providing **affordable housing** and increasing economic **self-sufficiency**.*

City of Duluth  
Community Development Committee  
July 10, 2017 5:30 PM  
City Hall Room 303  
Meeting Summary

1. Call to Order and Roll Call  
Attending: Randy Brody, Nolan Makowsky, Cruz Mendoza, Abigail Mlinar, Mark Osthus, Hamilton Smith  
Absent: Debra Branley  
Staff Present: Adam Fulton, Suzanne Kelley, Ben VanTassel

2. Review of June 20, 2017 meeting summary  
**MOTION/Second:** Smith/Osthus to approve the June 20, 2017 meeting summary. Motion passed. **VOTE: (6-0)**

3. Finalize funding model and funding priorities

- a. Proposed funding model/housing - Adam Fulton, Community Planning Manager

Fulton provided the committee with an overview of the 2017 proposed funding target amounts and whether and how the final funding recommendations reflected those amounts. In 2017 for Community Development Block Grant funding the funding was Housing-35%, Economic Development-15%, Public Facilities-18%, Public Services-15%, and Planning and Program Administration- 20%; for HOME Investment Partnership was Community Housing Development Organizations-66%, Homeowner Development/Rehab-79%, Tenant Based Rental Assistance-24%, and program Administration-10%; and for Emergency Solutions Grant was Street Outreach and Shelter Operations-59%, Rapid Re-Housing/HMIS Data Compilation/Prevention-33% and Administration 8%.

Fulton recommended the following funding targets:

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

Housing	40%
(New const. 20%, Home/Rehab- 20%)	
Economic Development	15%
Public Facilities	10%
(Infrastructure-8%, Blight- 2%)	
Public Services	15%
Planning & Program Administration	20%
<b><u>HOME PROGRAM (HOME)</u></b>	
CHDO (Community Housing Development Organizations)	15%

Homeowner Development and/or Homeowner Rehab	25%
Rental Development	35%
Tenant Based Rental Assistance	15%
Program Administration	10%
<b><u>EMERGENCY SOLUTIONS GRANT (ESG)</u></b>	
Street Outreach and Shelter Operations	60%
Administration	7.50%
Rapid Re-Housing, HMIS Data Compilation, and Prevention	32.50%

Fulton described the needs assessment process that was conducted earlier in the spring through the Imagine Duluth Housing Focus Group process and leading into the adoption of the Housing Action Framework by City Council. He described the citizen participation and the meetings held to receive feedback from the community, including the outreach that resulted in recommendations for how to proceed in construction of new housing units by types and for which income levels. Fulton explained that increasing housing funding is important because of the tremendous need in the community and it will also help to make progress on the Housing Action Framework that the city and housing partners are focused on. He also explained that while the recommendation would decrease the Public Facility category he did recommend that public facility funding should focus on infrastructure improvement and blight removal in areas identified in the Housing Action Framework. This would be a shift from recent years where public facilities projects have mostly included improvements to neighborhood community centers.

Hamilton Smith questioned why public facilities would be limited to infrastructure when the city has other funding streams to address infrastructure needs. Fulton suggested that the infrastructure would go to items like sidewalks and explained that when sidewalks are improved the property owners are assessed for the costs and this is a burden for low income residents.

Randy Brody asked for further explanation on the change in HOME- Community Housing Development Organization (CHDO) funding amount. Fulton replied that it is a requirement of HUD to fund at least 15% to a CHDO each year.

Hamilton Smith suggested that the Housing category should be increased even further beyond the recommended amount in order to make more impact and reiterated that public facilities projects should not include infrastructure work, but that this should be covered by other city funding. Mark Osthus asked the committee to consider the importance of infrastructure improvements and how that contributes to the vitality of a neighborhood and that some of the sidewalks in the low income neighborhoods could use improvement.

**MOTION/Second:** Smith/Mendoza to set the Housing category funding target at 42% and the Public Facilities category target at 8%, and that no specific percentage for infrastructure or blight removal be included. Motion passed. **VOTE: (6-0)**

**MOTION/Second:** Brody/Makowsky to approve the 2018 Funding Strategy for Community Development Program. Motion passed. **VOTE: (6-0)** *Resolution attached.*

- b. Duluth HRA rehabilitation program- Jill Keppers, Executive Director

Jill Keppers gave a presentation to the committee on the expanse of programs within the

Housing and Redevelopment Authority of Duluth including rental assistance, public housing, and homeowner and rental rehabilitation.

Following the presentation Randy Brody asked why the Housing Resource Connection was no longer available. Keppers responded that the different programs and agencies had changed objectives and or programs and the HRC model wasn't functioning how it was set up. She noted that the agencies regularly continue to work together to ensure that gaps in the community's housing choices are addressed.

4. Initial review of application materials and outreach

A. Review of application materials and outreach- Ben VanTassel, Senior Planner

Ben VanTassel gave a brief review of the funding process which the committee started discussions at the February meeting and continued through the spring. In May the committee held the housing and community needs public hearing, followed by the Fy2016 program review at the Consolidated Annual Performance and Evaluation Report public hearing in June. Also, completed and adopted this spring by the City Council was the Housing Action Framework that lays out the city's goals for housing in the near future.

VanTassel stated that the city was encouraging new organizations and agencies to apply for funding in order to ensure we are meeting emerging needs in the community. The application process would be advertised more broadly in hopes to spread the word. Staff would encourage new applicants to meet with city staff for assistance. The city will also hold a Technical Assistance Session, where any potential applicants can learn more about the process.

**MOTION/Second:** Smith/Branley to approve the April 18, 2017 and May 16, 2017 meeting summaries as presented. Motion passed. **VOTE: (6-0)**

5. Adjourn

Fulton suggested that the CD Committee cancel the Regular Meeting scheduled for July 25<sup>th</sup>, given that the funding priorities discussion was concluded.

**MOTION/Second:** Cruz/Branley to cancel the Regular Meeting scheduled for July 25, 2017. Motion passed. **VOTE: (6-0)**

**MOTION/Second:** Hamilton/Makowsky to adjourn the meeting at 7:00 PM. Motion passed. **VOTE: (6-0)**

**RESOLUTION APPROVING FY 2018 FUNDING STRATEGIES FOR COMMUNITY DEVELOPMENT PROGRAM**

RESOLVED, that the Community Development Committee hereby approves the following funding targets and strategies for the FY 2018 Community Development Program:

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

<i>Funding Category</i>	<i>FY 2017 Target Goal</i>	<i>FY 2017 Actual Allocations</i>	<i>FY 2018 Targeted Recommendation</i>
Housing	30%	35%	<b>42%</b>
<i>New Construction</i>			<b>21%</b>
<i>Home Owner Rehab</i>			<b>21%</b>
Economic Development	15%	15%	<b>15%</b>
Public Facilities	20%	18%	<b>8%</b>
Public Services	15%	15%	<b>15%</b>
Planning & Program Administration	20%	20%	<b>20%</b>

**HOME PROGRAM (HOME)**

<i>Program Area</i>	<i>FY 2017 Target Goal</i>	<i>FY 2017 Actual Allocations</i>	<i>FY 2018 Targeted Recommendation</i>
CHDO (Community Housing Development Organizations)	2%	66%	<b>15%</b>
Homeowner Development and/or Homeowner Rehab	38%	79%	<b>25%</b>
Rental Development	35%	0%	<b>35%</b>
Tenant Based Rental Assistance	15%	24%	<b>15%</b>
Program Administration	10%	10%	<b>10%</b>

**EMERGENCY SOLUTIONS GRANT (ESG)**

<i>Program Area</i>	<i>FY 2017 Target Goal</i>	<i>FY 2017 Actual Allocations</i>	<i>FY 2018 Targeted Recommendation</i>
Street Outreach and Shelter Operations	60%	59%	<b>60%</b>
Administration	7.5%	7.5%	<b>7.5%</b>

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Rapid Re-Housing, HMIS Data Compilation, and Prevention	33.5%	33.5%	<b>32.5%</b>
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