

**MEETING SUMMARY OF THE
COMMUNITY DEVELOPMENT COMMITTEE (CD Committee)
TUESDAY, MAY 26, 2009 – 6:00 P.M.
ROOM 402 – FOURTH FLOOR – CITY HALL**

Present: Theresa Bobula, Ron Boshey, Bill Kimbler, Joseph Matthes, Jennifer Murphy, Patricia Tyler, DeAnne Westermann

Absent: Jennifer Baumann, Deborah Crow Dog, Scott Wallschlaeger

Staff: Keith Hamre, Char McLennan

Roll Call: 7 present, 3 absent

The meeting started at 6:08 p.m. Jennifer Murphy, as past Chair, assumed the role.

1. Approve Meeting Summaries from March 24 and April 28, 2009

Motion by Bill Kimbler, seconded by DeAnne Westermann, to approve the March 24th and April 28th meeting summaries. The motion was unanimously approved.

2. Election of Officers

Motion by Jennifer Murphy, seconded by Bill Kimbler, to elect Scott Wallschlaeger as Chair of the CD Committee. The motion was unanimously approved.

Motion by Jennifer Murphy, seconded by DeAnne Westermann, to elect Theresa Bobula as Vice Chair of the CD Committee. The motion was unanimously approved.

Motion by Jennifer Murphy, seconded by Bill Kimbler, to elect Ron Boshey as 2nd Vice Chair of the CD Committee. The motion was unanimously approved.

3. Review Strategic Neighborhood Action Plans and Community Forums

Keith Hamre provided a review and summary of the Neighborhood Forums. Some forum were well attended and others were not. Attendees were asked to divide \$1 among three of the Community Development categories (Housing, Public Facilities and Economic Development. Cummulatively, Public Facilities received the largest allocation at \$.37, housing received \$.29 and Economic Development received \$.14. Attendees were asked to address Public Services separately. They were asked to Rank their top five Public Service categories and divide \$1 among those five categories. The top five Public Service categories were Youth Services (24), Crime Prevention (14.2), Health Services (9.8) Transitional Housing (6.3) and Homeless shelters (6.2).

The survey tool will also be distributed to City Council members next week.

Also at the Neighborhood Forums, participants discussed priority needs identified in the Strategic Neighborhood Actions Plans. Comments are listed by neighborhood

Central Hillside:

- Appreciation of funds available for demolition of blighted properties
- Question on how deferred loans work under the HRA Homeowner rehab program
- Request for more information regarding AEOA Weatherization and the income that qualifies participation
- Question regarding the likelihood of decreased funding next year
- Proposed new approach to homeowner repairs, a collaboration between Community Action Duluth and Northern Communities Land Trust to set up matched savings accounts for homeowners
- Several comments on the necessity of working together, and not relying on one or two entities to accomplish SNAP goals. Also, need for additional funding sources beyond CDBG and HOME Program.

Lincoln Park: *CD Committee members facilitated this forum*

- Two new residents who just purchased homes are enjoying living in the neighborhood and happy to see all of the positive activities. They both recommended that more ways be utilized to get word out about community meetings and activities.
- Several comments were made regarding importance of working together to secure additional funding sources and get Neighborhood Plan goals completed.
- Residents want to see more grants available for down payment assistance and for rehab assistance. NHS advertises HOPE program but currently has no funding for the program.
- NHS had a list of blighted properties identified by Lincoln Park residents several years ago (the "dirty 30"). Some of those same properties may still need attention. If this list can be found, staff would not need to re-create.
- Residents would like to see more CDBG funds used for street improvements in Exeter area and on Superior Street. LPBG is working with state regarding state-aid portions of Superior Street, but a portion of Superior Street is City owned. It was felt that street improvements will add curb appeal, which will lead to improved properties and increased value.
- Renters need help dealing with landlords and getting properties repaired.

Morgan Park:: Discussion focused on housing and economic development

Housing

- Increase percentage of homeownership in the neighborhood. Convert rental units into owner-occupied residences.
 - Publicize the existing housing opportunities to Realtors
 - Find ways to assist renters to convert rentals to homeownership
 - Potential sources: MN Housing homeownership funds and CASA, US Bank, Wells Fargo, Park State Bank, NCLT assist with purchase of four-plex and title issues
- Improve the overall quality of housing by conducting necessary maintenance and renovation upgrades. Establish a neighborhood housing improvement program that assists with renter and homeowner associations and exterior improvements.
 - Look at targeted fix up program, exterior repair program
 - Stabilize homeownership – AEOA Weatherization
 - Create a homeownership Association, starting with 88th Ave West target area
 - Use a preservation loan fund
 - Use rental rehab funds
 - Support a Morgan Park housing and Economic Development Fair
- Provide new housing opportunities for seniors and empty nesters within the neighborhood.
 - Re-use of school or a multifamily building for renovation to provide market rate senior housing. (Similar to Gramercy Park and other Independent Living housing opportunities)
- Create a Morgan Park Historic District in the neighborhood.
 - Restore Morgan Park to its former glory
 - Perception of higher costs for historic restoration, is there middle ground and/or resources
 - Utilize NHS Historic Preservation Program / Bob Hewitt to work with residents
 - Explore creation of a District to expedite the process along 88th Ave West
 - Start with model to show how funds can be used on fourplex or sixplex. Maybe combined ownership and rental. Use combined sources and collaborative to accomplish: HRA lead funds, rehab funds, NHS historic preservation funds, NCLT funds, AEOA Weatherization funds.
- Turn over/swap senior houses to young families to encourage homeownership

- Create a neighborhood development steering committee to provide guidelines for new development and housing preservation within the neighborhood.
- Create design guidelines/manual – potential participants: HRA, SVCNDA, Bill Majewski, Kris Ridgewell, NHS
- Renovate commercial properties to open small businesses.
- Brainstorm ideas for using middle school.
- Extend Western Waterfront Trail—apply for State grant (DNR)
- Create opportunities for small associated businesses to come.
- Northeast Entrepreneur Fund is going from door to door to solicit opportunities for small businesses.
- Introduce At Home collaboration partners to residents and business owners.

Economic Development

- Have a feasibility study done on Morgan Park Middle School– how realistic are the plans and what could it “house”? Some ideas include:
 - Partial Senior Housing w/recreation for the community (pool, etc)
 - Public Daycare
 - Senior Citizen Campus Model with Asst. Living and Independent Living
- New Owner for building (Advantage Emblem moved out) – new retail shops
Public Daycare
 - Post Office – Beauty Shop – 17 SRO units Above
 - New tenant possibilities: Telemarketing Company
 - Need to consider Cost of demolition vs. rehab of the building
- Eco-business – relocate to Morgan Park at cement site, school or MP store
- Disc Golf site at the MP Good Fellowship Club bringing in community
- Western Waterfront Trail – extend this from Riverside to Morgan Park
- look at State Grants for monies (DNR)
- Cement Plant site—need to do status of site (MPCA involvement--Sue Johnson) -Clean up of delta – Wiremill Pond
- Daycare in houses
- A resident (Dan Nelson) recently purchased the old Nelson Foods Building to turn it into a sandwich soup, coffee, etc. shop. Dan could use help from Northeast Entrepreneurial Fund and SVCNDA for Storefront Renovation Enhancement Loan.

West Duluth: (Poor attendance—therefore, discussion was limited to CDBG and Non-CDBG priorities)

- CDBG Priorities
 - Expansion of new business and jobs
 - Reuse vacant and underutilized properties for new/expanding businesses
 - Convert older housing units from rental to single-family homes.

- Non-CDBG Priorities
 - Rental property conversion to single-family ownership
 - Extend the Munger Trail
 - Signs to identify gateways to business districts
 - Street repairs at:
 - Raleigh Street—from Central to Grand
 - 57th Street—from Raleigh to Grand
 - Cody Street
 - Roosevelt Street
 - Main Street

East Hillside:

- Question on ability to have CDBG Public Service funding above the 15% “cap” of the allocation. Such funding would need to be directly related to job training for neighborhood residents. Neighbors should talk with agencies about providing wanted services in the East Hillside and applying for CDBG funds.

- Support for storefront renovations on 4th Street, several examples giving of improvements. Group has formed to promote the “Positively 4th Street Corridor”, defined as 14th Avenue East to Mesabe Avenue. This effort could overlap with SNAP plans.

- Request for more information on income qualifications for various housing and job programs.

- Comment that Duluth has many aspects in common with Iowa City, Iowa, such as institutions of higher education, and a regional medical center. Duluth could replicate Iowa City’s success in attracting artists, students, and young professionals to town.

4. Update on FY 2009 Grant Amounts

Keith reported that the Council approved the 2009 HUD allocation for the CDBG, HOME and ESG programs. The CDBG allocation was lower than anticipated,

- CDBG allocation \$2,828,000 (lower than expected)
 - Reduced housing
 - Reduced public services (pro-rated percentage of allocation for each project)
- HOME allocation \$816,317 (higher than expected)
 - increased allocation by \$16,000 to Northern Communities Land Trust
- ESGP allocation \$124,657 (lower than expected)
 - Reduced CD admin

Neighborhood Stabilization (stimulus funds) City received \$1.6 million for Purchase/rehab/resale of 16 foreclosed properties (NCLT—11 and HRA—5)

5. Timelines for CDBG-R and HPRP Funds

CDBG-R allocation is \$760,720. Funds must be used in 18-24 months—with 120 days to contract projects (July). Projects —“shovel ready”— to be funded include:

- Sanitary Overflow – 2nd Street sewer line from Mesabe to 7th Ave East (
- Accessible curb cuts (14 blocks) --\$300,000--reduce CDBG 2009 allocation and use CDBG-R funds instead \$170,000 from CDBG (A public hearing will be held to reallocate the 2009 fund (\$170,000)
- AmeriCorp match funds--\$34,123—a partnership youth project.

Outcomes on CDBG-R projects will be reported to HUD (recovery.gov website)

Homeless Prevention and Rapid Re-housing (HPRP) Funds - \$1.16 million. Funds must be allocated by September 2009 and 60% of funds must be spent in first year. The city will partner with St. Louis County in putting out an RFP in late June or early July. Will model the RFP after the State's Family Homeless Prevention and Assistance Program.

6. Discussion of Changes to Funding Priorities

Discussion was postponed until next meeting. Priorities (hi—med—low) will be determined and discussion on program efficiencies such as 2-year contracts for some Public Service Projects.

7. Review of Monitoring Issues

Keith discussed two monitoring issues with Committee members.....

- Women's Community Development Organization (WCDO) is looking for a buyer for the portfolio (96 units). Center City Housing Corp. is doing an analysis of the properties to see if it would be feasible to purchase the properties. Current units owned by SMDC but managed by WCDO will be turned over to CCHC.

- 4th Street Market—a Job Incentive Program project--has closed.
A partial release of CDBG funds allocated to the market was approved.

Keith announced that George Garnett, Director of Neighborhood Housing Services (NHS) was let go by the NHS Board, effective 6/8/09. The organization will be looking for a new director.

8. Other

Keith announced that John Judd was promoted to Senior Planner. John will be moving to the Physical Planning Dept. and Senior Planner, Chuck Froseth will be moving from Physical Planning to Community Development.

Keith also announced that the CD Office will be hiring two addition Planner II positions. Interview will take place in mid June.

**A Motion by D. Westermann, seconded by B. Kimbler, to adjourn the meeting.
The motion was approved and the meeting was adjourned at 7:15 p.m.**

The next meeting is scheduled for June 23, 2009, at 6:00 p.m. The meeting will include a Public Hearing on the 2008 CAPER.