

**MEETING SUMMARY OF THE
COMMUNITY DEVELOPMENT COMMITTEE (CD Committee)
TUESDAY, June 23, 2009 – 6:00 P.M.
ROOM 402 – FOURTH FLOOR – CITY HALL**

Present: Theresa Bobula, Ron Boshey, Bill Kimbler, Scott Wallschlaeger

Absent: Jennifer Baumann, Deborah Crow Dog, Joseph Matthes, Jennifer Murphy, Patricia Tyler, DeAnne Westermann

Staff: Keith Hamre, Char McLennan, Karen Olesen, Kathie Severson

Roll Call: 4 present, 6 absent

1. Public Hearing on Monitoring of Community Development Program

Scott Wallschlaeger started the Public Hearing on Monitoring of Community Development Program meeting at 6:08 p.m. by taking roll call.

Overview of the Public Hearing Purpose

Keith Hamre presented an overview of the previous year Community Development accomplishments. He informed the committee that this public hearing was their opportunity to ask questions of the subrecipient participants regarding programs.

Review of 2008 CAPER and Monitoring Items

Hamre then reviewed the Executive Summary of the 2008 CAPER (Consolidated Annual Performance and Evaluation Report) and identified the highlights. Utilizing approximately \$4 million of funding in 2008, subrecipients did a good job of providing services to a large number of low income persons. Hamre reviewed the accomplishments by the funding categories and persons served by ethnicity and income. In the spirit of the program, the report reflects that the programming was able to reach those who were most in need of services. It was noted that one could find the accomplishments by category with a comparison to the five-year plan goals on page five. The performance tables begin on page nine with the Economic Development category. The Public Facility performance table is on page 16, the Public Services performance table is on page 20, and the Housing performance table is on page 26. A review of the ESG (Emergency Shelter Grant) program goals and accomplishments can be found on page 45. Hamre made note of two agencies. Womens Community Development Organization (WCDO) is undergoing changes. And Life House is in the process of selling their housing portfolio and is working on changes to their operation model. Hamre also indicated that for the most part, all of the agencies served more people with less funding and most likely stretched the dollars received; they should be commended for doing well.

2. Opportunity for people to comment on the Performance of Community Development Programs or to ask Question

The CD committee asked about the WCDO transitional housing program. Since WCDO did not have a representative at the meeting, Kira Kalberg, from Salvation Army spoke briefly about the program. Salvation Army and WCDO had a joint Community Development public service grant for 2008. Kira indicated that WCDO lacked operational funding and were not able to serve as many people. She also indicated that WCDO's billings and reports were submitted on time.

Bill Kimbler, CD member, thanked the agencies for their work and he would like to ask two questions. He asked CHUM what they see coming up? Jim Soderberg responded that it is a difficult time but that the food shelf usage is fairly level now, usage had been up. The food shelf usage does tend to be a good indicator of the economy and is an area of concern. The first quarter of this year CHUM saw a 25% increase from the first quarter of last year.

Theresa Bobala asked if the shelter was over capacity? Soderberg said it was pushing capacity. They are sheltering lots of families and have had as many as three families in congregate housing because their family units were full. When asked about a solution, he indicated that permanent supportive housing was needed and he said there was a real need for transitional housing too.

Ron Bushey asked if CHUM works with other housing organizations? Soderberg said CHUM is very reliant on other groups. He also said that the Salvation Army is a terrific asset; that not all the providers provide supportive services. He further indicated that there is generally a strong working relationship (among the providers) in Duluth.

Scott Wallschlaeger asked if someone could speak on Duluth At Work and how it's working. Kelly Looby from the Neighborhood Youth Services (NYS) job program for youth said it is going great and NYS had met their goal of enrolling five youth this year. Looby further indicated that they are being careful on who they enroll because they want youth that will continue in the program. NYS has about 20 youth "waiting in the wings". In response to a question about the types of employment opportunities for the youth, she said they one was working in fast food (one youth thinking about working toward a career in management of fast food facilities); three youth are in training and have secured summer jobs. NYS has developed a strong partnership with a Rotary group. The Rotary is introducing the youth to a variety of professions, relating how they got into their own professions, and are helping the youth with job readiness skills and career exploration. Looby said the kids are really getting into this program. It is opening doors for the youth and some of the Rotary members have taken on youth to mentor.

Jennifer Young from Northeast Entrepreneur Fund (NEEF) reported that their goal was to serve 25 businesses and increase the number of employees by eight. NEEF has been able to assist 29 businesses that resulted in three new hires. NEEF found the past year trying; they concentrated on assisting businesses with stabilization rather than growth, especially with the current economic situation. Young indicated that NEEF was able to assist in strengthening the businesses through training. Next year the goal and

new focus will be to help the businesses increase their income by 25% and they are looking for more success.

Theresa Bobula had a question about the income limits? The program is working with persons who qualify under the HUD income limits with a goal to increase their income by 25%. All of the business owners have been low- to moderate income. The program has also focused on small businesses with fewer employees (traditional the business area of greatest growth).

Dave Mattson from SOAR said that SOAR was very happy with the Duluth At Work program. With their three prong approach, monthly meetings, peer support, and assistance with life issues, the program gets at what the client needs. SOAR has 20 persons enrolled, 12 persons have been trained and 10 persons have gotten new jobs.

Scott Wallschlaeger asked if the clients were required to attend the monthly meetings. The meetings are not required; SOAR encourages attendance and offers different topics of interest each month. The attendance is good.

Theresa Bobula asked about the job market, the bigger employers, what is SOAR seeing? SOAR had worked with the MN Job Skills Partnership Grant. They used industrial training funds to train people for anticipated new industrial job opportunities. But then the economy tanked and the industries anticipating adding jobs have been laying off people instead. It has been difficult to place these people trained for specific jobs in the current job market.

Theresa Bobula asked if the jobs people are finding have Benefits. (Health insurance, vacation, etc.) The response is that it is about 50-50. Most of the full time positions have good wages with benefits. Those who have taken the survival jobs until a better job open are generally not receiving benefits. They are being encouraged to keep at it.

Ron Bushey asked if there with any union barriers for the people seeking employment. Specifically - getting into the trade unions? Paying union dues? The response was that this was a good question – the agencies are not familiar with any such situations. It was noted that the agencies are ready to help as needed.

Pam Kramer of the Local Initiatives Support Corporation (LISC) spoke about the – Duluth At Work collaborative. LISC is a lead partner in the initiative. She indicated that she appreciated having the City as a partner. She discussed how the initiative has been able to leverage the CDBG funds with foundation funding. The group has been able to hire Emily Larson as the program coordinator. And, with the addition of the foundation funds, the program has been able to increase funds for SOAR and fund other projects which are the MN Teen Challenge program, NEEF artist project, and the green jobs project.

Scott Wallschlaeger said he would like to hear from Life House regarding their program changes. Kim Crawford, the Executive Director reported that Life House has undergone a huge reorganization process since September. The reorganization includes changing the model for housing and revisiting the operations of the drop-in center. It was noted that Life House is the only facility of this kind in Northern Minnesota, in all of greater Minnesota. The only other two are in the Twin Cities.

Life House sees 45-60 kids a day; 600-700 per year. This year to-date, there have been 253 kids (unduplicated count). During the reorganization process, Life House determined that they could no longer maintain the cost of owning their own housing for the youth and operate the drop-in center. The Life House housing includes Proctor House (for boys), Harbor House, and Phoenix House (both for girls). Each house housed 5 youth.

The units have been or will be sold. Life House plans to develop relationships with landlords and other housing agencies. They will lease units from the owners and then sub-lease them to the kids and offer programs to learn independent living skills and assist them in looking for jobs or go to school. Life House will lose 15 housing units but plans to assist 20 youth with housing under the new model. Crawford indicated that Keith Hamre had been wonderful to work with through this process.

Ron Bushey commented that he had visited the Life House program and he was amazed at what they were doing for the youth. He related to how hard it is to get into housing. He encouraged the CD committee members to visit the programs – they are awesome.

Theresa Bobula asked how the collaboration between Safe Haven and AICHO had been going. Susan Utech, from Safe Haven reported that they have had to work on merging their different record keeping methods and that Safe Haven has introduced AICHO to a new software program; they work closely back and forth. The shelters have been able to meet the needs of the community and served some people coming from outside the community. Both shelters are full most of the time.

Keith Hamre clarified the goal number of the Community Action – Duluth (CAD) – IDAs program; the goal is 45, which is more than the one-year goal.

Theresa Bobula asked how this program was doing and how the savings were being spent. Sarah Priest, the CAD Asset Program Manager reported that they had 15 individuals buy homes. CAD has 90 enrolled with 65 active or have purchased homes. CAD anticipates between 6 and 16 persons will purchase homes this year. CAD also created another program called Duluth Saves due to the large demand. This is a pre-program; participants are more stable when they enroll in the IDA program. The next 2-year program cycle – starts in July. CAD is looking at 50 new participants, with at least 25 in homebuyer savings. Priest indicated that they are working with very low income folks, it is a long-term program, takes at least two years to save a sufficient amount, and it is very rewarding work. CAD partners with NHS for downpayment assistance and NCLT. Some people have been able to purchase with the partner agencies assistance recently because they have found affordable, foreclosed housing to purchase.

Priest clarified that this is the FAIM program; the CDBG funds are used for those persons saving to buy a home. The question was asked if CAD does a follow-up on how the dollars are spent and the success. It was explained the asset savings is paid to a vendor (i.e. the school for tuition, or business if a computer if needed). The person must be enrolled in the school and show the need if purchasing a computer. Follow-up of the recipients is not required, but CAD has received additional funding for follow-up and a thirty page research report showed the successes.

After an indication that there was no one else that wanted to speak, the Public Hearing ended at 7:02 p.m.

1. Roll Call

The roll call was taken earlier at the start of the public hearing.

2. Approve Meeting Summary from May 26, 2009

The meeting summary from May 26, 2009 could not be approved due to lack of a quorum. This action item will be moved to the July 28, 2009 meeting.

3. Discuss Results from the Community Priority Surveys

Keith Hamre provided a copy of the community priority survey results and gave a brief review. The survey asked two questions; "How would you divide up a dollar toward these priorities: Affordable Housing, Public Facilities, and Economic Development?"

The surveys were tabulated from separate groups and an average percentage for each category was determined. There were 57 surveys submitted from the Community Forums, 63 surveys from CAD participants, and 4 surveys from the Duluth City Council. The responses are on the "Community Survey Results" sheet handed out. While there was more discussion at the forums regarding economic development, economic scored the lowest on the forum surveys.

The second survey question was "How would you divide up a dollar towards your top 5 priorities" in Public Services. The top five from the Forum surveys were (in order) youth services, crime prevention, health & dental services, transportation services, and homeless shelters. The top five from the CAD surveys were Health & Dental services, homeless shelters, transportation services, youth services, and crime prevention. Food shelves and childcare services were came in right behind the last three. No responses were available from the council.

The committee commented on that transportation stuck out as a need on the Forum surveys and on the CAD surveys. IT was also noted that the CAD Survey results were more interesting as they were from people using the services. And, the same activities were among the top five from each survey group, but in different priority order.

4. Discuss Application and Potential Changes to Funding

The review of the survey led into a discussion regarding the new Five-year Consolidated Plan, the 2010 Funding application and priorities. Discussion topics included:

Four Vision Statements for Community Development

Affordable Housing – preserve existing and create new homeowner and rental housing. Continue working with St. Louis County on the efforts identified in the 10-Year Plan to End Homelessness.

Economic Development – continue programming to help people move up.

Basic needs - continue support for programming that provides for basic needs: food, shelter, clothing, health services.

SWOT – analysis of community strengths, weaknesses, opportunities, threats

Strengths – housing and public service systems good. Weakness - Should there be changes to transitional housing? Opportunities – there are additional funds coming through the stimulus package: CDBG, Shelter, Green dollars, Neighborhood Revitalization. Threats – Congress can change allocations.

Other tools and information include the Data from Housing Indicator Report including the rental survey data reviewed by the committee at the April meeting and the current economic situation.

Goals/Priorities

The Five Year Consolidated Plan that will be submitted to HUD for 2010 through 2014, which will guide the CD process for the next five years includes priority tables for Affordable Housing, Public Facilities, Infrastructure, Public Services, Economic Development, Homeless, and for the Non-homeless Special Needs Population.

The St. Louis County Continuum of Care Plan identifies the priorities for the homeless population and for the Non-homeless special needs populations. The Duluth Community Development Five Year Consolidated Plan identifies the priorities for the other categories. If a specific activity is identified as a high (H) priority, it means that the activity will be funded during the five-year Consolidated Plan period, if it ranked as a medium (M) it is an activity the community will try to fund, and if the activity is ranked low, it will not be funded with CDBG funds.

The areas of discussion included the consideration of modifying priority levels for some activities: sewer Improvements – public lines, Anti-Crime activities, Transportation, Youth and childcare – medium rather than high. Priorities can be changes at any time; need not be just when doing a new consolidated plan. This meeting is to get initial thoughts out and some discussion among committee members, the committee will approve priorities next month. The priorities will be communicated in the 2010 applications, which will be available following the next meeting.

Hamre noted that he is working with other funders regarding funding for youth services and other services. Due to market conditions, the funders have noted that they are currently looking at reduced grants. A paradigm shift may benefit community, ie youth agency partnerships at the community facilities to reach throughout the city. HUD

regulations are burdensome for youth agencies and others such as food kitchens. Food kitchens are also facing antiquated kitchens that will need costly upgrades. A central kitchen with satellite sites may be more cost efficient. Any changes made would need to be clearly communicated.

The committee also asked what other communities doing? Hamre noted that other communities are making tough decisions too. Committee members also asked how agencies can be helped with the administrative responsibilities.

Consideration of more 2-3 year funding applications for public service agencies
Committee members expressed that this was a good idea – the programs don't seem to change that much from year to year. Discussion included how to pay out the funds – maybe a cost per person basis, reporting requirements, having strings in place if agency not performing – helps agency with planning. Multi-year funding is seen as a way to help CD staff save time to concentrate on projects that need more analysis
Question was asked about providing for ability to request more funding if additional and/or new need was seen?

Hamre will bring a draft application to the next meeting. He Asked if CD committee wanted to make any changes in application? Hamre will e-mail examples to Bill K. per his request. It was noted that if changes from High to Medium priority are made– committee will need to consider how to fund mediums.

The current policy for the Public Service category has been to only fund High priorities due to the HUD limit on the public service funding and competition for these funds. In the other categories there is more opportunity to fund mediums from year to year.

The committee asked if Hamre sees Life House changing the way they ask for funding? Hamre noted that he and Char McLennan are looking at Public Services and ESG funding for shelters and permanent supportive housing, with less for transitional housing and shelters. They are looking at other funders too. Operation costs are expensive and need to be considered. Life House is looking at leasing units instead of owning units. Hamre noted that ESG is changing to Emergency Solutions Program – along with a change in thinking.

Hamre noted that if all of the activities are rated as High, it is more difficult to make funding decisions – and there needs to be some discussion and response from the committee to the applicants regarding funding discussions.

5. Review HPRP (Homeless Prevention and Rapid Re-Housing)

The City and County are working together on an HPRP application for a \$1.16 Million grant. The Response For Proposal (RFP) is to be available after July 4th and will be due back in 15 days. The City and County may know the status of the application by the next CD committee meeting.

6. Other

The committee members present discussed the lack of a quorum. There are ten members on the committee and one vacancy. The Community Development office will do some follow with missing members. Wallschlaeger asked that Joyce send out an e-mail on the Friday before the meeting to all committee members and call each one the day before the meeting. A call on the day of the meeting is too late.

Hamre said this will be an unusual year with all of the stimulus dollars available. There will be a need for more meetings and a new Five-Year Consolidated Plan is due. He also indicated that there generally isn't a need to meet monthly; the committee could throw out some ideas regarding the use of time? Wallschlaeger indicated that spring happens to be his busiest time of year. Kimbler said he is here to support you but why meet if no need? It was also noted that while summer is hard absent members should not be given too many excuses. Volunteers need to be committed and responsible.

Community Development staff noted that the committee did an awesome job at the Public Hearing. They asked good jobs and took a lot of interest in the activities.

Application Process Summary Discussion

If going to 2-3 year terms what type of review process and what programs does CD Committee want to review?

Develop questions for those not performing?

Ask about trends.

Use written questions and responses for applications.

Ron Bushey noted that the HRA has made changes to the Public Housing and Sec. 8 programs regarding criminal history backgrounds. They are now opening doors – allowing housing (on probationary period) for those with records.

NEXT MONTH

HPRP, 2010 Funding Percentages, Specifics on High, Medium, Lows – especially transitional housing.

Applications will be available on July 31st, 2009 and will be due on August 31st 2009. A Technical Assistance session will be held for applicants.

The Community Development Committee always meets on the 4th Tuesday of month. The next meeting is July 28, 2009. The committee will be off in August and part of September.

The CD Staff is working on the policy and data pieces for the new Consolidated Plan.

The meeting was adjourned at 8:07 p.m.