

<b>CD Program FY 2017 Application Review</b>	<b>PUBLIC FACILITY IMPROVEMENTS</b>	<b>Staff Contact: Ben VanTassel</b>
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**Summary of Public Facility Improvement Applications**

Eight applications were received requesting a total of \$783,381 to improve a variety of facilities throughout the city. Last year, the amount allocated for public facility improvements was \$299,500. The target percentage of funds for 2017 was 20% of CDBG funds to go towards public facility improvements.

**Approach to Application Review**

Public Facility applications are reviewed for consistency with the Consolidated Plan, need of the improvement and benefit to the community, and other factors including project readiness, applicant approach, use of budget, and overall need in the community.

**Applications Received**

Code	Proposal Name	Organization	Amount
2017-12	Dental Chairs	LSCHC	\$ 35,360
2017-14	Facility Improvements	CHUM	\$ 181,400
2017-20	Irving Park Improvements	Parks Division	\$ 100,000
2017-31	Life House Annex	Life House	\$ 200,000
2017-21	Lincoln Park Improvements	Parks Division	\$ 100,000
2017-23	Seeds of Success Garden Program	CAD	\$ 7,000
2017-07	UDAC Accessibility & Safety Improvements	UDAC	\$ 123,661
2017-34	After School Expansion	Avalon	\$ 35,960

**Total: \$783,381**

**Consolidated Plan Public Facility Improvements Goals**

Consolidated Plan Goal #4: Community Public Facilities

- Assist neighborhood facilities that provide vital services with accessibility improvements and/or repairs due to flood damage. These facilities include homeless facilities, neighborhood facilities, and parking facilities.

Consolidated Plan Goal #5: Community Development Infrastructure

- Assist LMI homeowners with street assessments.
- Improve sidewalk accessibility.

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**APPLICATION #2017-12: Replacement of Dental Chairs - LSCHC**

Brief Description of Application (including activities and target clientele):

Lake Superior Community Health Center provides health and dental services for low-income and homeless individuals. This request would fund the purchase of five dental chairs which would increase their ability to help more clients with their dental needs.

Application goals/outcomes and relation to Consolidated Plan:

LSCHC has set a goal of assisting 5,220 clients with dental services in 2017. This request will assist in providing basic needs to low income individuals, which is a goal of the Consolidated Plan.

Budget and Project Readiness: The budget provides adequate detail and appears appropriate for the health care services they provide. The purchase process for the equipment could begin on time in FY 2017. Proper procurement processes of dental chairs would need to be followed. Funds that are already secured for leverage are \$0 (0:1 ratio).

Applicant Background: Lake Superior Community Health Center has been providing services for many years and has received CDBG funds for public services activities. This is a departure from that as it is a capital expense and would fall under the Public Facilities category, rather than Public Services.

Staff Recommendation: Staff recommends the CD Committee consider this application for funding based upon the need for basic services, especially health services, in the community and how it contributes to meeting Consolidated Plan goals of basic needs.

**APPLICATION #2017-14: Facility Improvements- CHUM**

Brief Description of Application (including activities and target clientele):

CHUM provides services including overnight shelter, food, access to medical care, to 950 homeless persons annually and food to 2,400 households through the food shelter. This application is requesting \$181,400 and includes improving their facilities through accessibility improvements, energy efficiency(windows), kitchen/laundry/security upgrades, and technology upgrades.

Application goals/outcomes and relation to Consolidated Plan:

This project meets Consolidated Plan Goal #4 in that CHUM is a neighborhood facility and shelter. These improvements will allow CHUM to enhance its accessibility and services to homeless people.

Budget and Project Readiness:

Costs were estimates by contractors; some budget flexibility may be needed when the work is bid out. The indication that the projects are ready to commence seems feasible. Funds that are already secured for leverage are \$0 (0:1 ratio).

Applicant Background: CHUM has received federal funds for several years and has been providing basic needs in Duluth for decades.

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Staff Recommendation:

Given the growing need for these services (and facility) and the direct relation to Consolidated Plan Goal #4, it is recommended that this project be considered for funding by the CD Committee.

**APPLICATION #2017-20: Irving Facility Improvements- Parks Division**

Brief Description of Application (including activities and target clientele):

This project includes improvements to Irving Park, a neighborhood park at 20 S. 57<sup>th</sup> Ave West, in the West Duluth neighborhood, a LMI neighborhood and CDBG Target area, which was damaged by the 2012 flood.

Application goals/outcomes and relation to Consolidated Plan:

This project will meet Consolidated Plan Goal #4 by improving a neighborhood facility that was damaged in the flood. The result will be accessibility improvements, site lighting, a gathering space and screening. \$100,000 are being requested to complete these improvements that will allow for more use and improve an asset that was damaged during the flood.

Budget and Project Readiness: Costs appear to be reasonable and application states the project will be ready to begin right away in May 2017. Leverage ratio is 1.47:1.

Applicant Background: The city of Duluth receives federal funds often and manages these funds regularly. The Parks & Recreation Division has adopted a Parks & Recreation Master Plan and has completed a Mini-master plan for Irving Park in 2015.

Staff Recommendation: This project directly relates to the Consolidated Plan Goal #4 because of the damage sustained by the flood and it is recommended that this project be considered for funding by the CD Committee.

**APPLICATION #2017-31: Life House Annex- Life House**

Brief Description of Application (including activities and target clientele):

Life House seeks to acquire the Cooper Building (21 N 1<sup>st</sup> Ave W, Duluth) for future expansion of its education and employment programs for the target clientele of youth ages 14 – 24 who are high risk and homeless. Funds will also be used to address critical building maintenance needs and to convert the existing parking lot into an enclosed, secure greenspace for youth recreation. The service goal is over 625 homeless and street youth, with a 100% LMI service goal.

Application goals/outcomes and relation to Consolidated Plan:

The Life House Annex expansion project will meet Consolidated Plan Goal #4. b. Acquisition of the Cooper Building and conversion of the parking lot to recreational space will provide safe space, education and employment opportunities for at risk and homeless youth in Duluth. The project will provide access to outdoor recreational activities for over 600 youth, educational and employment programming for over 100 youth, and transitional employment programming for 15 youth.

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Budget and Project Readiness:

Requested amount: \$200,000 in CDBG funding; Total budget: \$250,000; Secured: \$0; Secured Leverage Ratio: 0:1; Projected completion date: June 2018. The budget proposal is itemized and thorough. The owner of the Cooper Building has indicated he is interested in selling the property specifically to Life House. There is inherent risk in the anticipated budget and project timeline due to the nature of the project. Building acquisition costs, renovation and creation of the recreation area can all result in time delays and cost overruns.

Applicant: The applicant has received HUD funding and has a proven record of completing CDBG-funded projects on time and within budget.

Staff Recommendation: Based on the applicant meeting the objectives of goal #4 of the Consolidated Plan, the applicant having a proven track record with successful implementation of HUD funds, and the increase in demand for the services offered by the applicant (indicated by organizational growth and lack of space for sufficient programming), staff recommends the applicant be considered for funding by the CD Committee.

**APPLICATION #2017-21: Lincoln Park Improvements- Parks Division**

Brief Description of Application (including activities and target clientele):

This project includes improvements to Lincoln Park located at 25<sup>th</sup> Avenue W & 5<sup>th</sup> St, a neighborhood park, in the Lincoln Park neighborhood, a LMI neighborhood and CDBG Target area.

Application goals/outcomes and relation to Consolidated Plan:

This project will meet Consolidated Plan Goal #4 by improving the accessibility of a neighborhood facility. The result will be improvements to the restrooms which are currently closed, concrete walk, and river embankment and retaining wall. \$100,000 are being requested to complete these improvements that will allow for more use of an asset that is underutilized. Additional funds will be used to improve the playground at the site.

Budget and Project Readiness: Costs appear to be reasonable and application states the project will be ready to begin right away in May 2017, with the intent to bid the project late winter. Leverage ratio is 1.75:1.

Applicant Background: The city of Duluth receives federal funds often and manages these funds regularly. The Parks & Recreation Division has adopted a Parks & Recreation Master Plan and has completed a Mini-master plan for Lincoln Park in 2016.

Staff Recommendation: This project relates to the Consolidated Plan through the accessibility improvement portions of this project and it is recommended that this project be considered for funding by the CD Committee.

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**APPLICATION #2017-23: Seeds of Success Garden Program- Community Action Duluth**

Brief Description of Application (including activities and target clientele):

Community Action Duluth’s Seed of Success program is a transitional employment program where unemployed individuals receive wages for 6 months of employment as urban famers. This request is for \$7,000 to build a garden site for Seeds of Success programs in the east hillside that would be utilized by the Seeds of Success program.

Application goals/outcomes and relation to Consolidated Plan:

The application meets Consolidated Plan Goal #4, as the lot is the former site of 2 homes that were damaged in the 2012 flood and later demolished. These vacant unused parcels are blighted and having a gardening presence will help to improve and revitalize the neighborhood on the 800 block of E 13<sup>th</sup> St.

Budget and Project Readiness:

Itemized allocations seem reasonable for the application, and for a garden of the size that the applicant is requesting. The applicant has a successful match of 1.86:1 in secured funding. Project construction is ready to begin in the spring of 2017. Given that some of the costs are construction related, prevailing wage and correct procurement processes will need to be followed.

Applicant Background: Community Action Duluth has received federal funding regularly and the Seeds of Success program was established in 2010.

Staff Recommendation: This project directly relates to the Consolidated Plan and it is recommended that this project be considered for funding by the CD Committee.

**APPLICATION #2017-07: UDAC Accessibility & Safety Improvements- UDAC, Inc.**

Brief Description of Application (including activities and target clientele):

UDAC serves low income people with disabilities in Duluth by providing day and employment programming. The request details improvements needed to the UDAC facility including accessibility improvements to doorways and a sprinkler system.

Application goals/outcomes and relation to Consolidated Plan: The project would improve accessibility to the facility for the people they serve, many with physical disabilities. Also, adding a sprinkler system that is a state requirement for the building to continue to operate. The accessibility improvements are directly related to Goal #4 of the Consolidated Plan.

Budget and Project Readiness: The application does not indicate a start date, but states that the project will be completed within the typical 15-month public facility process. Match is not yet secured for this project. (0:1 ratio)

Applicant Background: UDAC received a public facilities grant in 2014 for facility upgrades. That project has not been closed up but is near completion. Udac receives substantial state funding for their programming.

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Staff Recommendation: Staff recommends the CD Committee consider funding the doorway accessibility portion of this proposal at this time, as it directly relates to the Consolidated Plan.

**APPLICATION #2017-34: After School Expansion- Avalon**

Brief Description of Application (including activities and target clientele):

- CDBG funds will be used to construct and convert two rooms into classrooms to house free after-school program where low-income youth and families actively learn success mechanisms like leadership and teamwork through multi-cultural physical arts, music, arts, and an open tutoring center. This proposal has a LMI service goal of 97%.

Application goals/outcomes and relation to Consolidated Plan:

- The Avalon Institute expects to serve 300+ low income youth and families that are not currently being served by the Avalon Institute. This program indirectly meets Consolidated Plan Goal #4, by assisting neighborhood facilities with accessibility improvements.

Budget and Project Readiness:

- The Avalon Institute has not received CDBG funds in the past and is a new applicant for funds this year.
- Since this will be a continuance of an existing service, Avalon will be able to provide this service at the beginning of the 2017 program year.
- \$4,500 in volunteer funds and \$10,868 in revenue funds have been secured, \$35,960 are anticipated from CDBG, for a funding leverage ratio of <1:1.
- The Avalon Institute’s project readiness appears appropriate, but the budget relies heavily upon CDBG funds for completion.

Applicant

- The Avalon Institute is located at 404 West Superior Street, Duluth, MN 55802. They are a non-profit agency. They have not received CDBG funds in the past.

Staff Recommendation:

- The After School Expansion program by Avalon Institute indirectly meets Consolidated Plan Goal #4, because the improvements are not improvements to accessibility.