



CITY OF DULUTH

PLANNING & CONSTRUCTION SERVICES

Community Planning Division

411 West First Street – Room 332 - Duluth, Minnesota 55802-1197

218-730-5480 – An Equal Opportunity Employer

Community Development Committee Agenda

Tuesday, November 28th, 2017- 5:30 p.m.
City Hall Council Chambers – 3rd Floor, Duluth City Hall

1. Call to Order and Roll Call
2. Approval of Meeting Summary: November 28, 2017
3. Staff Summary: Public Comment Period, Comments Received
4. Public Hearing on FY 2018 Action Plan
Action: Open public hearing; receive comment; close public hearing
5. Committee Recommendation: FY 2018 Action Plan
Action: Determine final funding amounts, Committee vote
(note: Committee may elect to vote on funding amounts individually, rather than through one motion)
6. Committee of Whole with Council – Date & Process
7. Adjourn



*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
October 24, 2017 5:30 PM
City Hall Room 303
Meeting Summary

1. Call to Order and Roll Call
Randy Brody brought the meeting to order at 5:35 p.m. on Tuesday, October 10th, 2017.

Attending: Debra Branley, Randy Brody, Noland Makowsky, Mark Osthus, Hamilton Smith
Absent: Cruz Mendoza, Abigail Mlinar,
Staff Present: Adam Fulton, Ben VanTassel, Emilie Voight
2. Approval of Meeting Summaries for October 3rd and October 10th, 2017
MOTION/Second: Smith/Branley to approve the October 3, 2017 and October 10, 2017 Community Development Committee meeting summaries. Motion passed. **VOTE: (5-0)**
3. Responses to CD Committee Application Questions
Staff handed out the application question responses that were received and asked the committee if any follow-up was needed. Randy Brody asked for clarification on the Hunger Project's accomplishments. Lee Stuart (CHUM) responded that each agency records the number of people served. The agencies have not changed their methods of tabulating people so when comparing the numbers reported year to year, it shows that an increased number of people need food in Duluth.
4. Review of Conflict of Interest Policy & Disclosure
Staff reviewed the Conflict of Interest Policy and Disclosure process with the committee and explained that all members present had completed the disclosure. There were no questions.
5. Preliminary FY 2018 Recommendations for 30-day Public Comment period
Staff distributed cumulative application scores and explained that the city has not received the final funding amount for fiscal year 2018 and the recommendations are based on estimates and that the city will not know the final funding amount until a federal budget is approved. Staff reviewed the manager's funding recommendations for affordable housing, economic development, public facility improvements, public services, HOME Investment Partnership, Emergency Solutions Grant, and planning & administration.

Randy Brody questioned what the blight removal project would involve. Staff described blight removal as a way to improve neighborhoods by removing blighted properties through demolition and at the same time preparing sites for future development of housing. Hamilton Smith suggested moving funds from the public facility category to housing to better match the funding targets that the committee discussed in July; and recommended moving \$60,000 from 2018-96-Blight Removal and \$30,000 from 2018-22 Revitalizing Neighborhood Parks to 2018-23 CLT Acquisition Rehab-Resale. The committee then reviewed the remaining categories for funding

and did not make changes. With the Committee's recommendations incorporated, the funding recommendation:

Affordable Housing

2018-17 Duluth Property Rehab Program: \$450,000
2018-20 Pine Grove Apartments CIP: \$57,000
2018-23 CLT Acquisition Rehab-Resale: \$90,000
2018-24 CLT New Construction: \$120,000
2018-25 Giving Comfort at Home-Weatherization: \$100,000
2018-26 Decker Dwellings: \$0
2018-27 Duluth Lending Rehab: \$60,000
2018-28 Lincoln Park SIA Partnership: \$25,000

Economic Development

2018-16 Growing Neighborhood Businesses: \$64,000
2018-05 SOAR Duluth At Work: \$272,000

Public Facility Improvement

2018-02 Life House Commons: \$95,000
2018-12 Accessibility Improvements Project: \$0
2018-22 Revitalizing Neighborhood Parks- Keene: \$27,000
2018-96 Blight Removal: \$60,000

Public Service

2018-03 Life Housing Basic Needs Drop-In: \$30,000
2018-06 Family Supportive Housing: \$30,000
2018-07 Safe Haven DV Shelter: \$10,000
2018-08 Landlord Incentives Program: \$20,000
2018-09 Family Transitional Housing: \$8,250
2018-10 Community Based Dental Hygienist: \$20,000
2018-11 Emergency Shelter Project: \$40,000
2018-13 Duluth Hunger Project: \$70,000
2018-15 Homelessness Prevention/Rapid Rehousing Veterans: \$9,150
2018-18 Housing Stabilization Services- Steve O'Neil Apartments: \$25,000
2018-19 JET Food Project: \$33,000
2018-21 Tenant Landlord Connection: \$20,000
2018-98 Coordinated Entry/Assessment: \$12,000

HOME Investment Partnership

2018-04 Tenant Based Rental Assistance: \$83,500
2017-06 Garfield Square Apartments: \$200,000
2018-23 CLT Acquisition Rehab-Resale: \$90,000

Emergency Solutions Grant

2018-06 Family Supportive Housing: \$28,000
2018-11 Emergency Shelter Project: \$20,000
2018-15 Homeless Prevention/Rapid Rehousing Veterans: \$3,150
2018-07 Domestic Violence Shelter Operations: \$10,000
2018-09 Family Transitional Housing: \$8,250
2018-14 Street Outreach: \$15,000
2018-01 Emergency Shelter for Homeless & Runaway Youth: \$30,000
2018-95 HMIS Data: \$4,000
2018-94 Rapid Rehousing: \$61,975

Planning & Administration

18-AD-01 Program Administration: \$437,400

18-AD-02 Neighborhood Revitalization Planning: \$0

18-AD-03 HOME Program Administration: \$34,500

18-AD-04 ESG Program Administration: \$14,625

18-AD-05 HOME TBRA Administration: \$7,000

MOTION/Second: Smith/Osthus to finalize the preliminary funding recommendation amounts and begin the 30-day public comment period on the funding amounts and 2018 Annual Action Plan. Motion passed. **VOTE: (5-0)**

6. Adjourn

MOTION/Second: Smith/Branley to adjourn meeting at 7:15 p.m. Motion passed. **VOTE: (5-0)**

DRAFT

2018 Community Development Program Summary

CDBG	Amount of Requests	Amount Recommended	Amount Allocated	Percent of Program	Target	Funds Targeted	Difference
Affordable Housing	\$ 1,465,000	\$ 902,000	\$ -	41.2%	42%	\$ 918,540	\$ 16,540
Economic Development	\$ 336,000	\$ 336,000	\$ -	15.4%	15%	\$ 328,050	\$ (7,950)
Public Facilities	\$ 399,500	\$ 182,000	\$ -	8.3%	8%	\$ 174,960	\$ (7,040)
Public Services	\$ 401,750	\$ 327,400	\$ -	15.0%	** 15%	\$ 328,050	\$ 650
Planning/Administration	\$ 650,000	\$ 437,400	\$ -	20.0%	+ 20%	\$ 437,400	\$ -
Program Total	\$ 3,252,250	\$ 2,184,800	\$ - *	100%			\$ 2,187,000

HOME

CHDO Operating	\$ -	\$ -	\$ -	0.0%	0%	\$ 9,618	\$ 9,618
TBRA - Tenant Based Renta	\$ 112,884	\$ 83,500	\$ -	20.1%	(5% cap) 15%	\$ 72,134	\$ (11,366)
Rental Redevelopment	\$ 200,000	\$ 200,000	\$ -	48.2%	35%	\$ 168,314	\$ (31,686)
<i>Home Owner Development</i>	<i>\$ 360,000</i>	<i>\$ 90,000</i>		21.7%	25%	\$ 120,224	\$ 30,224
CHDO Development	\$ 560,000	\$ 290,000	\$ -	69.9%	# 15%		
Administration	\$ 72,500	\$ 41,500	\$ -	10.0%	10%	\$ 46,941	\$ 5,441
Program Total	\$ 625,384	\$ 415,000	\$ - *	148%			\$ 415,000

ESG

Operations	\$ 133,400	\$ 114,400	\$ -	58.7%	* 60%	\$ 118,983	\$ 4,583
Rapid Rehsq/Prevention	\$ 80,000	\$ 61,975.00	\$ -	31.8%	32.5%		
HMIS	\$ 4,000	\$ 4,000	\$ -	2.1%			
Administration	\$ 20,000	\$ 14,625.00	\$ -	7.5%	7.5%	\$ 14,625	\$ -
Program Total	\$ 237,400	\$ 195,000	\$ - *	100%			\$ 195,000

Overall Totals **\$ 4,115,034** **\$ 2,794,800** **\$ -**

2016 Grant Awards: CDBG \$2,190,293 HOME \$471,958 ESG \$198,963 = \$2,861,214

2017 Grant Awards: CDBG \$2,197,695 HOME \$463,411 ESG \$197,186 = \$2,858,292

FY 2018 Projection	CDBG	\$ 2,187,000	HOME	\$ 415,000	ESG	\$ 195,000
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TOTAL 2018 Community Development Program **\$ 2,797,000**

* ESG \$120,000 Hold Harmless Amount for Homeless shelter operations

** 15% Cap on Public Services from the CDBG Grant Amount (does not include reprogrammed funds)

This total is a part of the Home Owner Development and Rental Redevelopment Amounts

+ 20% Cap on Planning & Administration

*** Revised Awards**

2018 Community Development Program	Affordable Housing Proposals
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Number	Project Name/Applicant	Amount Requested	Application Goal	Evaluation Score	Manager's Rec.	CD Comm. Rec.	Council Allocation	Notes
2018-99	Garfield Square Apartments Center City Housing	\$ 200,000	50 new units	NA	\$ -	\$ -	\$ -	
2018-17	Duluth Property Rehab Program Duluth HRA	\$ 450,000	95 rehab units	94.3	\$ 450,000	\$ 450,000	\$ -	
2018-20	Pine Grove Apartments CIP Accessible Space, Inc.	\$ 200,000	24 rehab units	72	\$ 57,000	\$ 57,000	\$ -	2
2018-23	CLT Acquisition Rehab-Resale One Roof Community Housing	\$ -	8 rehab units <i>see HOME for request</i>	90.3	\$ -	\$ 90,000		
2018-24	CLT New Construction One Roof Community Housing	\$ 120,000	3 new units	90.2	\$ 120,000	\$ 120,000		
2018-25	Giving Comfort at Home - Weatherization Ecolibrium3	\$ 125,000	50 rehab units	90	\$ 100,000	\$ 100,000	\$ -	
2018-26	Decker Dwellings One Roof Community Housing	\$ 275,000	40 new units	89.3	\$ -	\$ -	\$ -	1
2018-27	Duluth Lending Rehab One Roof Community Housing	\$ 60,000	116 rehab units	90.5	\$ 60,000	\$ 60,000	\$ -	
2018-28	Lincoln Park SIA Partnership - Neighborhood Cool Ecolibrium3	\$ 35,000	58 households	83.8	\$ 25,000	\$ 25,000	\$ -	
Subtotal		\$ 1,465,000			\$ 812,000	\$ 902,000	\$ -	

Notes

- 1 Consider for 2019 pre-commitment
- 2 Roof only; certain costs ineligible
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2018 Community Development Program	Economic Development Proposals
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Number	Project Name/Applicant	Amount Requested	Application Goal	Evaluation Score	Manager's Rec.	CD Comm. Rec.	Council Allocation	Notes
2018-16	Growing Neighborhood Businesses Entrepreneur Fund Inc	\$ 64,000	8 businesses	88	\$ 64,000	\$ 64,000		
2018-05	SOAR Duluth At Work SOAR Career Solutions	\$ 272,000	41 LMI individuals	92.3	\$ 272,000	\$ 272,000		
Subtotal		\$ 336,000			\$ 336,000	\$ 336,000	\$ -	

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2018 Community Development Program	Public Facility Improvement Proposals
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Number	Project Name/Applicant	Amount Requested	Application Goal	Evaluation Score	Manager's Rec.	CD Comm. Rec.	Council Allocation	Notes
2018-02	Life House Commons Life House	\$ 95,000	1 facility	91.5	\$ 95,000	\$ 95,000	\$ -	
2018-12	Accessibility Improvements Project UDAC	\$ 47,500	1 facility	85.5	\$ -	\$ -	\$ -	
2018-22	Revitalizing Neighborhood Parks - Keene Duluth Parks & Rec	\$ 57,000	1 facility	86.2	\$ 57,000	\$ 27,000	\$ -	
2018-96	Blight Removal City of Duluth	\$ 200,000	15 demolitions	NA	\$ 120,000	\$ 60,000	\$ -	
Total requests		\$ 399,500			\$ 272,000	\$ 182,000	\$ -	
Projected 2018 CDBG		\$ 2,187,000						
Recommended 8%		\$ 174,960						
Current recommendation:		8.32%						

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2018 Community Development Program	Public Service Proposals
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Number	Project Name/Applicant	Amount Requested	Application Goal	Evaluation Score	Manager's Rec.	CD Comm. Rec.	Council Allocation
2018-03	Life House Basic Needs Drop-In, Youth Life House	\$ 30,000	625 individuals	95.7	\$ 30,000	\$ 30,000	\$ -
2018-06	Family Supportive Housing Center City Housing Corporation	\$ 50,000	91 individuals	95	\$ 30,000	\$ 30,000	\$ -
2018-07	Safe Haven (D.V.) Shelter Safe Haven	\$ 10,000	250 individuals	95	\$ 10,000	\$ 10,000	\$ -
2018-08	Landlord Incentives Program Salvation Army	\$ 20,000	120 individuals	87.7	\$ 20,000	\$ 20,000	\$ -
2018-09	Family Transitional Housing Salvation Army	\$ 8,250	100 individuals	96.2	\$ 8,250	\$ 8,250	\$ -
2018-10	Community Based Dental Hygenist Lake Superior Community Health Center	\$ 25,000	480 individuals	86.7	\$ 20,000	\$ 20,000	\$ -
2018-11	Emergency Shelter Project CHUM	\$ 40,000	500 individuals	96.2	\$ 40,000	\$ 40,000	\$ -
2018-13	Duluth Hunger Project CHUM	\$ 80,000	14,000 individuals	94.5	\$ 70,000	\$ 70,000	\$ -
2018-15	Homelessness Prevention & Rapid Rehousing MACV-Duluth	\$ 9,150	105 individuals	96.7	\$ 9,150	\$ 9,150	\$ -
2018-18	Housing Stabilization Services - Steve O'Neil CHUM	\$ 50,000	140 individuals <i>44 households</i>	91.2	\$ 25,000	\$ 25,000	\$ -
2018-19	JET Food Project NYS	\$ 37,350	500 individuals	93.5	\$ 33,000	\$ 33,000	\$ -
2018-21	Tenant Landlord Connection One Roof Community Housing	\$ 30,000	525 individuals	82.3	\$ 20,000	\$ 20,000	\$ -
2018-98	Coordinated Entry & Assessment Duluth HRA	\$ 12,000		NA	\$ 12,000	\$ 12,000	\$ -
subtotal		\$ 401,750			\$ 327,400	\$ 327,400	\$ -
Projected 2018 CDBG		\$ 2,187,000					
15% of projected 2018		\$ 328,050					

Notes

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2018 Community Development Program	HOME Investment Partnership Proposals
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Number	Project Name/Applicant	Amount Requested	Application Goal	Evaluation Score	Manager's Rec.	CD Comm. Rec.	Council Allocation	Notes
2018-04	Tenant Based Rental Assistance Duluth HRA	\$ 112,884	41 individuals 13 households	93.2	\$ 83,500	\$ 83,500	\$ -	
Non-CHDO Subtotal		\$ 112,884			\$ 83,500	\$ 83,500	\$ -	
2017-06	Garfield Square Apartments Center City Housing	\$ 200,000	50 new units	NA	\$ 200,000	\$ 200,000	\$ -	
2018-23	CLT Acquisition Rehab-Resale One Roof Community Housing	\$ 240,000	8 rehab units	90.3	\$ 90,000	\$ 90,000	\$ -	
<i>Home Owner Development / Redevelopment</i>		<i>\$ 240,000</i>			<i>\$ 90,000</i>	<i>\$ 90,000</i>	<i>\$ -</i>	
<i>Rental Development / Redevelopment</i>		<i>\$ 200,000</i>			<i>\$ 200,000</i>	<i>\$ 200,000</i>	<i>\$ -</i>	
CHDO Subtotal		\$ 440,000			\$ 290,000	\$ 290,000	\$ -	
	Program administration	\$ 65,000			\$ 34,500	\$ 34,500	\$ -	
	TBRA administration	\$ 7,500			\$ 7,000	\$ 7,000	\$ -	
HOME Program Total		\$ 625,384			\$ 415,000	\$ 415,000	\$ -	

CHDO Calculations		Percent	Percent	Percent
<i>CHDO Operating Cap. Calculation</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>
<i>CHDO Development % Calculation</i>	<i>\$ 62,250</i>	<i>15.0%</i>	<i>69.9%</i>	<i>\$ 290,000</i>
<i>Home Owner Development Calculation</i>	<i>\$ 240,000</i>	<i>57.8%</i>	<i>21.7%</i>	<i>\$ 90,000</i>
<i>Rental Redevelopment Calculation</i>	<i>\$ 200,000</i>	<i>48.2%</i>	<i>48.2%</i>	<i>\$ 200,000</i>

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2018 Community Development Program	Emergency Solutions Grant Proposals
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Number	Project Name/Applicant	Amount Requested	Application Goal	Evaluation Score	Manager's Rec.	CD Comm. Rec.	Council Allocation
2018-06	Family Supportive Housing Center City Housing Corporation	\$ 30,000	91 individuals 61 beds	95	\$ 28,000	\$ 28,000	\$ -
2018-11	Emergency Shelter Project CHUM	\$ 20,000	500 individuals	96.2	\$ 20,000	\$ 20,000	\$ -
2018-15	Homeless Prevention & Rapid Rehousing MACV-Duluth	\$ 3,150	105 individuals	96.7	\$ 3,150	\$ 3,150	\$ -
2018-07	D.V. Shelter Operations Safe Haven	\$ 10,000	500 individuals 39 beds	95	\$ 10,000	\$ 10,000	\$ -
2018-09	Family Transitional Housing Salvation Army	\$ 8,250	100 individuals 50 beds	96.2	\$ 8,250	\$ 8,250	\$ -
2018-14	Street Outreach CHUM	\$ 15,000	150 individuals	95.2	\$ 15,000	\$ 15,000	\$ -
2018-01	Emergency Shelter for Homeless & Runaw. Life House	\$ 47,000	50 individuals	93.7	\$ 30,000	\$ 30,000	\$ -
Subtotal		\$ 133,400			\$ 114,400	\$ 114,400.00	\$ -
2018-97	City of Duluth Program Administration	\$ 20,000		NA	\$ 14,625	\$ 14,625	\$ -
2018-95	HMIS Data	\$ 4,000		NA	\$ 4,000	\$ 4,000	\$ -
2018-94	Rapid Rehousing	\$ 80,000		NA	\$ 61,975	\$ 61,975	\$ -
Total		\$ 237,400			\$ 195,000	\$ 195,000	

Proposed 2018 ESG Allocation	\$ 195,000
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60% Threshold \$ 119,599
 Proposed allocation 59%
 Reductions from last year's allocated amounts to fund the Prevention & Rapid rehousing

Hold Harmless Cap is \$120,000

Remaining funds: Prevention, Rapid Rehousing, Admin & HMIS data entry (\$4,000)	\$ 90,470.28
Potential ESG reprogrammed money	\$ 4,332
Admin request (7.5%)	\$ 20,000.00
HMIS request	\$ 4,000.00
Remainder - rapid rehousing	\$ 66,470.28

2018 Community Development Program	Planning & Administration Proposals
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Number	Project Name/Applicant	Amount Requested	Manager's Rec.	CD Comm. Rec.	Council Allocation
18-AD-01	Program Administration Community Planning	\$ 600,000	\$ 437,400	\$ 437,400	\$ -
18-AD-02	Neighborhood Revitalization Planning Community Planning	\$ 50,000	\$ -	\$ -	\$ -
18-AD-03	HOME Program Administration Community Planning	\$ 65,000	\$ 34,500	\$ 34,500	\$ -
18-AD-04	ESG Program Administration Community Planning	\$ 20,000	\$ 14,625	\$ 14,625	\$ -
18-AD-05	HOME TBRA Administration Duluth HRA	\$ 7,500	\$ 7,000	\$ 7,000	\$ -
Subtotal - CDBG		\$ 650,000	\$ 437,400	\$ 437,400	\$ -
Total		\$ 742,500	\$ 493,525	\$ 493,525	\$ -

Notes
1

Projected 2017 CDBG	\$ 2,187,000
20% of projected 2017	\$ 437,400