



PLANNING & ECONOMIC DEVELOPMENT

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City of Duluth
Community Development Committee
December 4, 2018 5:30 PM
City Council Chambers
Meeting Summary

1. Call to Order

Chair Randy Brody called the Community Development Committee meeting to order on Tuesday, December 4, 2018 at 5:35 in the Council Chambers on the 3rd floor of City Hall.

2. Roll Call

Attending: Mark Osthus, Ashley Norby, Alicia Cyr, Patricia Sterner, Randy Brody, Hamilton Smith, and Noland Makowsky

Absent: Daris Nordby

Staff Present: Adam Fulton, Suzanne Kelley, Kathy Wilson, Emilie Voight, Mollie Hinderaker

3. Approval of Meeting Summary: October 23, 2018

Sterner had a question over page 2 where there was an incomplete comment in regards to the Public Services category. Fulton responded that the missing comment was an error. The committee tabled the approval of the meeting summary for October 23, 2018 in order to address the pending corrections.

4. Overview of public hearing and review of the public comments received during the 30-day comment period

Brody opened up the discussion by stating that receiving the comments periodically throughout the public comment period was informative and better than receiving all comments at the hearing.

Fulton summarized that a wide variety of projects received comments of general support but a select few projects received more than others did. The Community Action Duluth, Seeds of Success application received multiple letters asking for a change in the funding level. Fulton further stated that most comments received were for projects in Public Services, and explained that this is largely due to the constraining cap of 15% for this category. Fulton also mentioned that an additional comment was received today and had been printed out and included in the packet.

Fulton stated that tonight presents an additional opportunity to receive comments from the public.

5. Public hearing on the FY 2019 Annual Action Plan: Brody opened the public hearing

Brody explained that speakers can sign up to speak if they had not already and will have 3 minutes.

Peg Oman of Community Action Duluth Tax Site referenced her involvement of 3 years with the site and commended the hard working volunteers. Oman hoped the committee would be able to increase funding due to the programs impact on the community and efficient use of funds.

Princess Kisob of Neighborhood Youth Services emphasized that increasing funding could lead to more time having a cook on site; this would influence both quality and quantity of food and therefore increase capacity to serve more people.

Brody clarified that there was a decrease in funding from last year and noted the sheer amount of letters of support. He further stated that if these letters of support would come earlier in the decision making process, funding decisions could be better informed.

Tom Seidelmann, a volunteer of Community Action Duluth Tax Site emphasized that this program is all about the people. He referenced a specific example of a \$4,800 refund and the effect it had on one family. Seidelman said the tax site is a well-established program due to the extensive training needed to operate and the huge impact it has on families.

Jason Beckman, Program Director of SOAR wanted to thank committee for allotting full funding and gave an overview of programs, highlighting how community members have become self-sufficient, and thereby not using public services.

Jim Schulzetenberg, a volunteer at the Community Action Duluth Tax, stated that most people they serve would not be able to afford tax services normally and mentions the emotional impact their program has on families.

Lee Stuart, Executive Director of CHUM wanted to address the decrease in recommended funding. Stuart explained that at the Food shelf, there had been dramatic change in service: the average food package had gone up in size and CHUM would use more funding to hire additional staff to address increase in procurement of food. Additionally, pattern of use is changing. Stuart stated that other entities are cutting back on funds for permanent supportive housing services making it difficult for CHUM to carry out the work that needs to be done in the community.

Julia Cheng, Manager of Community Action Duluth Tax Site, emphasized that their program is tapping into tax resources that are rarely accessed throughout the region and that the perpetuating need for their service is a compelling reason for funding. Cheng referenced the Tax Site's specific service to seniors, which allows them to stay in their homes. Cheng stated that moving forward, the new tax bill will affect their services and that the organization had not applied to this program before because they did not know about eligibility.

Sterner asked whether the use of funds would go for additional staff.

Chang responded about 75% will go to staff with the remaining going towards service materials Smith asked about previous funding with Northland Foundation.

Chang stated that foundations don't want to continually fund the program year after year so they are diversifying their sources.

Maude Dornfeld, Executive Director of Life House, explained the variety of services provided by Life House due to their no-reject policy. Dornfeld would like more funding and to maintain at least a steady amount than allocated because any decrease could influence service. Dornfeld concluded that \$14,500 would be needed to complete the annex project for Life House.

Cyr asked what Dornfeld meant by stable funding.

Dornfeld referenced funding numbers from prior years that would be needed to minimally maintain service, but acknowledge that Life House would always utilize an increase in funding.

Janie Moore, Grants Manager of Entrepreneur Fund, thanked the committee and explained that funding allows them to provide a full training program for small business owners. Moore furthered that there is a strong, continued demand for the program and that Entrepreneur Fund produces positive outcomes for the community.

Dave Schafer, Executive Director of Chester Bowl Improvement Club, understood the committee funding decisions but wanted to discuss potential for next year. Schafer stated that the Chester Bowl chalet face problems with accessibility and that the project was essential for future programming. Schafer addressed fiscal security and timely completion as two elements of the project that will be addressed in next year's application.

Northey asked about the anticipated length of construction.

Schafer replied 4-6 months starting in April of 2020 and that they have plans for alternative locations for their programs during this time.

Steve Lorber from Seeds of Success explained that Seeds of Success provided point of food access for people in a food desert and asked for 15,000 to keep their program going. Smith asked if they had any other funding sources.

Lorber replied that Essentia committed 15,000 in funding but nothing else.

Brody asked if anyone else would like to speak, to which no one came forward, and closed public hearing period at 6:15

6. Committee Recommendation: FY 2019 Annual Action Plan:

Brody asked if anyone had issue to approve all components of the FY 2019 Annual Action Plan at one time and opened up the discussion prior to approval. He addressed the large public support for the Neighborhood Youth Services program and Community Action Duluth Tax Site program. Brody went on to say that the challenge is to not only fund successful programs but also ones that the community really needs. He mentioned the additional challenge of the 15% limit to public services and stated that the only remedies are to take away funding from someone else or to pull from other categories. Brody asked for Fulton's input on addressing the difficulty of the 15% cap.

Fulton stated that in some instances there is potential to find alternative funding from other categories in terms of directing money to other qualifying components of the project. Fulton turned it over to Kelley to clarify the HUD regulation

Kelley read the HUD regulation that explained the 15% public services cap.

Smith asked about any changes in federal regulations and if that could lead to more or less actual funding.

Fulton responded that he had no exact certainty but that the estimates for CDBG, HOME and ESG until federal funding is approved by congress.

Brody asked for any additional comments or suggestions from committee members moving forward.

Makowsky stated that in order to free up some money, the committee could decrease some funding for Tenant Landlord Connection because of their low scores and Northey agreed.

Smith asked about other finances available to Tenant Landlord Connection.

Jeff Corey, One Roof Community Housing, stated that there has been a mix of funding for the program which would allow them to operate at the level they wanted. They have commitment from all other funders and it would mean an obvious cut to their budget if they were to see funding changes tonight.

Northey explained that she thinks One Roof Community Housing does important work but sees the other programs that were scored higher in need of additional funding.

Sterner showed preference to the Tax Site because they have a substantial impact from a household stabilization point of view.

Brody proposed either taking minimal amounts from each program to equally redistribute or to move funds from a single program to another.

Smith mentioned Seeds of Success and the Tax Site as new programs should be funded and stated that Tenant Landlord Connection had funding concerns in the past, but that it is still a good program.

Cyr reiterated Smith's positive comments on the Seeds of Success program and wanted to help stabilize their efforts with funding. Cyr stated that she is new to committee and would also like clarification over letters of support received from the Mayor.

Fulton responded that the CD committee stands as a recommending body to the City Council and explained that the committee will be there to answer the Council's questions during recommendation on January 14, 2019. That being said, he clarified the final determination of funding is ultimately accepted or rejected by the Mayor but usually follows no changes.

Brody stated that the CD committee can defer changes to City Council if they are unable to make a decision and asked Fulton for his thoughts.

Fulton stated he would not recommend the committee defer action on FY 2019 funding recommendations but that it is an option.

Brody recommended that funding be moved from Tenant Landlord Connection to another project.

Northey suggested funding the Seeds of Success project and additional support for Neighborhood Youth Services.

Smith concurred about Seeds of Success but disagrees in regards to Neighborhood Youth Services because it is receiving adequate funding

Sterner agreed about Seeds of Success but wants additional funding for the Tax Site

MOTION/Second: Smith/Sterner to move \$5,000 from Tenant Landlord Connection to Seeds of Success. No discussion. Motion passed. Vote : (6,0), Makowsky abstains.

Brody asked if there needed to be any other discussions.

Fulton clarified if the chair wanted to vote on each category separately and Brody clarified that the committee would vote on them all at the same time but wanted to discuss issues with certain categories individually.

Smith talked about Life House and wanted to find more funding for the annex project and both Sterner and Northey agreed.

Makowsky asked about the \$5,000 given to the Bike Duluth- Transportation for All. He wanted to know what the impact would be by only receiving the \$5,000 allotted.

Fulton responded that it would still allow for 10 bike racks and could serve as a pilot project.

Brody refocused the committee by stating that the only category they still needed to make changes to was public facilities.

MOTION/Second: Smith/Osthus to move \$11,900 from Acquisition Demolition to Life House Annex program. Discussion:

Sterner asked what impact that would have on the Acquisition Demolition program and Voight responded that the changed recommendation would diminish the number of demolitions from 8 to 4.

Motion passed. Vote: (7,0)

Brody summarized the two changes made to the funding recommendations and asked if there were any other points to discuss

MOTION/Second: Sterner/Smith to finalize the program funding amounts and submit to City Council. No discussion. Motion passed. Vote: (7,0)

7. Public hearing on the substantial amendment to the 2015 Annual Action Plan:

Fulton explained the amendment can be found in the packet and is in regards to the deletion of a CHUM project from a past funding year. Fulton explained the City is not yet proposing reprogramming of the \$64,000 in funds until understanding final finances from HUD.

Brody opened up the public hearing. With no comments, the public hearing closed.

Northey asked about the timeline for reprogramming these funds.

Fulton explained that in about 6 months the City and CD committee would need to address the reprogramming of funds.

MOTION/Second: Osthus/Northey to approve deletion of a project to be reprogrammed at a later date. No Discussion. Motion passed. Vote: (7,0)

8. Other business

a. Committee of the Whole with Council- Dates and Process

Fulton explained on January 14, 2019, a City Council meeting is planned to discuss the FY 2019 funding recommendation. Fulton briefly explained different ways the committee could present their process to the Council and that this presents an opportunity to discuss some of the funding gaps discovered during the committee processes.

Brody recommended committee members choose different sections to present to council to show that all members were invested in the process.

Brody would like to present an additional piece on the public comments received this year in light of it not being a requirement for Council to read through them prior to the meeting.

MOTION/Second: Smith/Sterner to adjourn the Community Development meeting on December 4, 2018. Vote: (7,0)

Meeting adjourned at: 7:30

Meeting attendees:

Julia Chang, Peg Oman, Karen Nichols, Tom Seidelmann, Corisa Ihan, Princess Kisob, Jason Beckman, Jim Schulzetenberg, Joanne Davidson, Lee Stuart, Maude Dornfeld, Erich Lutz, Janie Moore, Dave Schaeffer, Jessica Peterson, Stephen Lorber, Jeff Corey