



City of Duluth HOME-ARP Allocation Plan

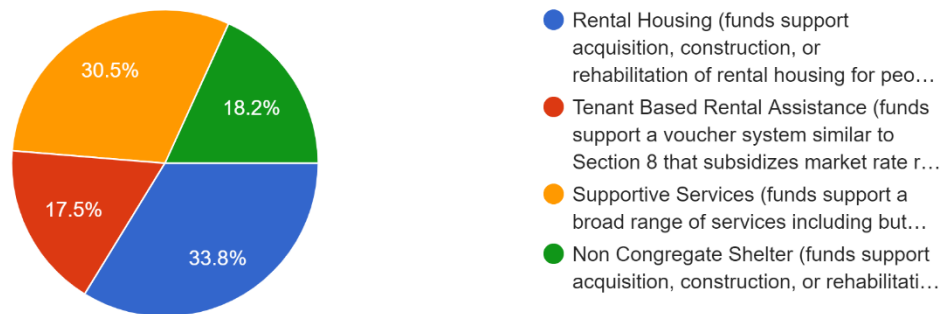
Consultation

Describe the consultation process including methods used and dates of consultation:

To develop this Allocation Plan, the City of Duluth (“the City”) sought input from community members as well as agencies and non-profit organizations that serve members of HOME-ARP’s Qualifying Populations. First, the City distributed a Community Needs Assessment Survey that was open to all members of the public for three weeks beginning on April 29, 2022. The survey closed on May 23, 2022. Respondents were asked to identify the eligible HOME-ARP activities that meet the most pressing needs of the City’s Qualifying Populations and they were split between Rental Housing (33.8%) and Supportive Services (30.5%) as the best way to spend this one-time allocation from HUD.

Which of the following HOME-ARP Program Categories addresses the most pressing needs in our community?

154 responses



The full results of the 2022 Community Needs Assessment Survey are publicly available on the City of Duluth’s website at the following address: <https://duluthmn.gov/media/13851/fy23-community-needs-assessment-summary-final.pdf>

Next, the City’s Community Development Committee held a public hearing on June 21st where agencies funded by HUD entitlement money offered testimony regarding their program performance, future plans, and recent trends among the Qualifying Populations they serve. The minutes from this meeting are publicly available on the City of Duluth’s website at the following address: <https://duluthmn.gov/media/WebSubscriptions/33/20220701-33-14411.pdf>



Finally, on June 29th the City hosted a virtual HOME-ARP consultation meeting with the local Continuum of Care and other agencies serving Qualifying Populations. This meeting focused specifically on the needs of each specific Qualifying Population in our community. The summary of this consultation is publicly available on the City of Duluth’s website at the following address: <https://duluthmn.gov/media/13857/home-arp-consultation-summary.pdf>

List the organizations consulted:

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
The Salvation Army	Homeless Service Provider	Survey & Meeting	There is not enough family shelter space, or space in shelters
YWCA Duluth	Homeless Service Provider	Survey & Meeting	We don’t have enough units for the need.
St. Louis County	Government	Survey & Meeting	People need holistic support and culturally-specific services.
SOAR Career Solutions	Homeless Service Provider	Survey & Meeting	Need support even beyond housing in order to make housing stable
AICHO	Homeless Service Provider	Survey & Meeting	People are struggling to maintain a home once they do get housing.
Duluth HRA	Public Housing Authority	Survey & Meeting	Existing units need upkeep & requests for rental assistance are growing more expensive.
LISC-Duluth	Non-Profit Addressing Civil Rights and Fair Housing	Survey & Meeting	It is critical that housing units are added.
Safe Haven	Domestic Violence Service Provider	Survey & Meeting	We’re noticing longer stays because it’s very rare to find housing in 30 days.
Accessible Space	Accessible Housing & Disability Service Provider	Survey & Meeting	More accessible units!
Lutheran Social Services	Homeless Service Provider	Survey & Meeting	Youth exiting foster care often face homelessness when they turn 18.
Churches United in Ministry	Homeless Service Provider	Survey & Meeting	Seeing a lot more mental health and chemical health needs.



Planning & Development Division
 Planning & Economic Development Department

Room 160
 411 West First Street
 Duluth, Minnesota 55802

218-730-5580
 planning@duluthmn.gov

One Roof Community Housing	Non-Profit Housing Developer	Survey & Meeting	There are not enough affordable units.
Center City Housing Corporation	Non-Profit Housing Developer	Survey & Meeting	More funding for maintenance of existing units.
Life House	Youth Homeless Service Provider	Survey & Meeting	LGBTQ+2S youth may be kicked out of their house when they come out.
St. Louis County Continuum of Care	Continuum of Care	Survey & Meeting	Waiting lists are long and at the same time we need to provide comprehensive services wherever possible.

Summarize feedback received and results of upfront consultation with these entities:

The most succinct summary came from a service provider during the consultation phase: “There are not enough units to meet the need.” That basic problem was echoed in other forms by many other organizations, all of whom emphasized the fact that both shelter beds and affordable homes are very scarce in this city. At the same time, housing vouchers are proving difficult to use in Duluth’s rental market. Under these conditions, it is no surprise that the number of people experiencing homelessness continues to rise even as more units are added each year.

Several other themes emerged from the consultation phase. First, existing units and shelter spaces have ongoing, significant need for maintenance and rehabilitation projects. Even costs for routine work have increased because of recent inflation. The COVID-19 pandemic has also meant that many shelters have experienced particularly heavy use, or longer-term stays, creating significantly more wear on these properties while affording fewer opportunities to make repairs.

Another consistent theme during the City’s consultation phase was the need for mental health services. Many agencies noted an increase in mental health and chemical dependency issues over the past two years. Several referenced the need for holistic, culturally-appropriate models of support for these individuals and many agreed with the broader need for them to find safe living spaces.

Agencies who work with young people observed that smaller shelters often work better for that age group. They also noted that many teenagers prefer to enter shelter spaces with a friend or a sibling, and there is a need for more spaces intended to accommodate the unique needs of this population.

Finally, several agencies cited a need for follow-up services for people who do find permanent housing. Several shared examples of clients who either struggled to navigate the bureaucracy needed to live independently (one did not know how to secure a money order to pay rent), or did



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802

218-730-5580
planning@duluthmn.gov

not understand more functional aspects of independent living, such as basic house cleaning or utility management.

Duluth's community of caregivers and service providers is accustomed to the creative collaboration that serving these populations always requires. They agreed that the most pressing need was also the most basic: there are not enough housing units for these populations.

Public Participation

Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:

- ***Date(s) of public notice: 7/30/2022***
- ***Public comment period: start date - 8/1/2022 end date - 8/31/2022***
- ***Date(s) of public hearing: 8/16/2022***

Describe the public participation process:

The City of Duluth's Allocation Plan was published on the City's website on July 30, 2022 and notice of a public comment period and public hearing was published in the Duluth News Tribune on July 30, 2022. A 15-day public comment period will run from August 1st through August 16th, 2022, with a public hearing scheduled before the Community Development Committee on August 16th, 2022. When no comments were received during this initial period, the comment period was extended through August 31st, 2022. Even so, no comments were received.

Describe efforts to broaden public participation:

In addition to publishing notice in the Duluth News Tribune, the City published the Allocation Plan on its website. The Affordable Housing Coalition and the Heading Home Advisory Council (Duluth's local Continuum of Care) were each consulted during the development of this Plan and both groups were given notice of the public comment period and public hearing. In an effort to reach community members without internet access, the City of Duluth also made copies of the Allocation Plan available at all three branches of the public library. Feedback forms were also available at each library branch and city staff sought to collect them prior to the public hearing and at the close of the extended comment period.

Summarize the comments and recommendations received through the public participation process either in writing, or orally at a public hearing:

No comments were submitted during the extended 31-day public comment period and no testimony was offered at the public hearing.



Summarize any comments or recommendations not accepted and state the reasons why:

No changes were made because no comments were received.

Needs Assessment and Gaps Analysis

Describe the size and demographic composition of qualifying populations within the PJ's boundaries:

This Allocation Plan describes the City of Duluth's strategies for addressing the needs of four Qualifying Populations defined in the American Rescue Plan as follows:

1. Homeless, as defined in 24 CFR 91.5

Homeless (1), (2), or (3):

(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or 4 (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that: (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; and (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who: (i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008



(7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a); (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance; (iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment;

2. **At risk of Homelessness, as defined in 24 CFR 91.5**

At risk of homelessness:

(1) An individual or family who: 5 (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD; (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “Homeless” definition in this section; and (iii) Meets one of the following conditions: (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance; (B) Is living in the home of another because of economic hardship; (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low income individuals; (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau; (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan; (2) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802

218-730-5580
planning@duluthmn.gov

(42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(l) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(l)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or (3) A child or youth who does not qualify as “homeless” under this section but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

3. **Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD.**

For HOME-ARP, this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. This population includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit. In the case of sexual assault, this also includes cases where an individual reasonably believes there is a threat of imminent harm from further violence if the individual remains within the same dwelling unit that the individual is currently occupying, or the sexual assault occurred on the premises during the 90-day period preceding the date of the request for transfer.

Domestic violence, which is defined in 24 CFR 5.2003 includes felony or misdemeanor crimes of violence committed by: 1) A current or former spouse or intimate partner of the victim (the term “spouse or intimate partner of the victim” includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship); 2) A person with whom the victim shares a child in common; 3) A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner; 4) A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving HOME-ARP funds; or 5) Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.



Dating violence which is defined in 24 CFR 5.2003 means violence committed by a person: 1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and 2) Where the existence of such a relationship shall be determined based on a consideration of the following factors: a. The length of the relationship; b. The type of relationship; and c. The frequency of interaction between the persons involved in the relationship.

Sexual assault which is defined in 24 CFR 5.2003 means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.

Stalking which is defined in 24 CFR 5.2003 means engaging in a course of conduct directed at a specific person that would cause a reasonable person to: 1) Fear for the person's individual safety or the safety of others; or 2) Suffer substantial emotional distress.

Human Trafficking includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7102). These are defined as: 1) Sex trafficking means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act, in which the commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or 2) Labor trafficking means the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

4. **Other Populations** where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households who do not qualify under any of the populations above but meet one of the following criteria:

(1) Other Families Requiring Services or Housing Assistance to Prevent Homelessness is defined as households (i.e., individuals and families) who have previously been qualified as "homeless" as defined in 24 CFR 91.5, are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance to allow the household to be housed, and who need additional housing assistance or supportive services to avoid a return to homelessness.



(2) At Greatest Risk of Housing Instability is defined as household who meets either paragraph (i) or (ii) below: (i) has annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs); 8 (ii) has annual income that is less than or equal to 50% of the area median income, as determined by HUD, AND meets one of the following conditions from paragraph (iii) of the “At risk of homelessness” definition established at 24 CFR 91.5:

(A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(B) Is living in the home of another because of economic hardship;

(C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;

(E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;

(F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan

Veterans and Families that include a Veteran Family Member that meet the criteria for one of the qualifying populations described above are eligible to receive HOME-ARP assistance.



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802

218-730-5580
planning@duluthmn.gov

According to the City of Duluth's Performance Report for programs receiving entitlement and COVID funding in Fiscal Year 2021, Duluth is home to at least 3,503 individuals who meet the criteria for one or more Qualifying Population under HOME-ARP. This includes approximately 1,668 individuals experiencing homelessness as defined in 24 CFR 91.5, 963 individuals at risk of experiencing homelessness as defined in 24 CFR 91.5, 530 individuals fleeing domestic violence, and 342 individuals requiring services or housing assistance to prevent homelessness, or otherwise at greatest risk of housing instability. These numbers have been increasing over the past five years and are continuing to rise. The full Fiscal Year 2021 Performance Report is publicly available on the City of Duluth's website at the following address:

<https://duluthmn.gov/media/13720/performance-report-fy2021-cv-june-21-2022.pdf>

Most of Duluth's Qualifying Populations are comprised of adults, but they also include at least 370 children, approximately 83 of whom are living in emergency shelters, Safe Haven, or places not meant for habitation.

In a city where 84% of the total population is white, white people comprise only 48% of Duluth's Qualifying Populations. Indigenous persons, on the other hand, only represent 2.4% of Duluth's total population but they make up 25% of the City's Qualifying Populations. Similarly, Black, African American or African individuals represent 3.5% of the City's total population but 15% of Duluth's Qualifying Populations. Mixed-race individuals are also over-represented within the City's Qualifying Populations, comprising 5.6% of the City's total population and 11.5% of the Qualifying Populations.

Finally, many members of Duluth's Qualifying Populations struggle with physical or mental health conditions. Mental Health Disorders were reported among 55% of the City's Qualifying Populations and 35% are experiencing Alcohol Use Disorder, Drug Use Disorder, or both. Physical Disabilities were reported among 24% of Duluth's Qualifying Populations and Developmental Disabilities were reported among 8%. And 18% of Duluth's Qualifying Populations are experiencing Chronic Health Conditions. Demographics of Duluth's Qualifying Populations are shown in SAGE Reports.

Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing (Optional):

Duluth's most recent Housing Indicator Report shows that the City has 222 emergency shelter beds and 180 transitional housing beds. The City also has 537 permanent supportive housing beds, 70 rapid rehousing beds, and 486 other permanent housing beds.



A strong network of service providers relies heavily on annual entitlement funding to provide counseling, skills training, outreach, food, and other support to Duluth's qualifying populations. Duluth's Housing and Redevelopment Authority administers the city's Tenant Based Rental Assistance program.

Describe the unmet housing and service needs of qualifying populations:

Homeless as defined in 24 CFR 91.5

The City's data review and consultation process offered a clear picture of the greatest unmet need among people experiencing homelessness: there are simply not enough housing units to meet the demand. Approximately 1,668 individuals experience some form of homelessness in Duluth each year. The City only has 402 beds in emergency shelters and transitional housing. There are 110 emergency shelter beds for families, a number that several service providers described as much too low. Of the units and shelters that do exist, many are in need of significant maintenance or repair after especially heavy use and prolonged stays during the pandemic.

Service providers also noted that family emergency shelter space and shelter for young people ages 18-24 was particularly difficult to find. Others noted that very few shelters allow animals, which can deter people unwilling to leave their pet from seeking shelter space.

There is also an ongoing need for holistic, culturally-appropriate services to support people experiencing homelessness. This is particularly true as service providers have seen increased mental health and chemical dependency issues among this population during the pandemic.

At Risk of Homelessness as defined in 24 CFR 91.5

People at risk of experiencing homelessness are struggling with the same fundamental challenge as the homeless population: there are not enough affordable units to house everyone. There are at least 963 individuals at risk of homelessness in Duluth and only 537 beds in permanent supportive housing. Many of these units are also in need of maintenance and repair. Service providers noted that rental assistance requests are becoming more expensive and harder to cover with existing funding streams.

Some members of this population are people who have found housing but need supportive services to maintain it; sometimes the stressors created by having to pay rent and bills and keep an apartment clean are greater than the stress of being unhoused.

Youth exiting foster care often face the reality of homelessness when they turn 18. More space and support is needed for them. The same is true for LGBTQ+2S youth who may be



kicked out of their home after coming out. Often they are struggling with behavioral health or chemical dependency in addition to housing needs.

Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice

In Duluth, at least 530 individuals fled or attempted to flee domestic violence during the past year. Here again, safe shelter space is at a premium. There are 39 beds currently available and there will soon be close to 70 after two shelter renovation projects are complete. This is still unlikely to meet the need for beds because most operate as 30 day shelters and it is very rare to find permanent housing in 30 days.

Service providers emphasized the need for more spaces that allow pets among this population as well. Others mentioned a need for more private space within shelters and more flexibility in terms of how shelters operate. People need storage units, money for travel and car repair in addition to shelter space.

Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability as defined by HUD in the Notice

There are at least 342 individuals in Duluth who belong to populations requiring services or housing assistance to prevent homelessness or who are at great risk of housing instability. In addition to greater access to affordable homes, these people are often in need of wrap-around or follow-up services to ensure that they are properly maintaining their home and receiving the care they need.

Identify any gaps within the current shelter and housing inventory as well as the service delivery system:

In Duluth, approximately 1,668 people experience some form of homelessness each year. Right now, only 402 emergency shelter or transitional housing beds are available. Zooming out to consider members of all four HOME-ARP Qualifying Populations, approximately 3,503 individuals are at risk for homelessness or housing instability each year. Yet the City has only 70 beds available for rapid re-housing. There are only 75 permanent supportive family housing units. Altogether, Duluth has only 1,477 beds to serve a Qualifying Population almost 40% larger.

Duluth also has an ongoing need for supportive services to ensure that members of the city's Qualifying Populations are able to retain the safe and stable housing they manage to obtain. This gap was raised consistently in consultation with service providers, who noted that even after securing housing, the stressors of paying rent and maintaining a home could be overwhelming for individuals not accustomed to those circumstances. Service providers also observed that chemical dependency and mental health issues had increased during the pandemic and that holistic, culturally appropriate services were needed to support people grappling with these



challenges. The broader community recognizes the gap in supportive services as well, as more than 30% of Community Needs Assessment Survey respondents identified this work as addressing the most pressing needs of our community.

At public input sessions in 2022, the Community Development Committee heard from several local service providers that they are operating at or close to their maximum capacity with existing staff and resources. One shelter and outreach service provider reported in June that “more drug abuse, physical disabilities, and mental illness [among the population we serve] present new challenges.” Another provider noted that longer shelter stays and more intense mental health cases had caused greater wear and tear on existing units, and that “even the money we get to address these issues don’t cover everything we need to do to keep the property habitable.” These organizations and others would benefit from an infusion of operating or capacity-building funds, which could allow them to expand successful programs or test more novel efforts to support Duluth’s Qualifying Populations.

Under Section IV.4.2.ii.G of the HOME-ARP Notice, a PJ may provide additional characteristics associated with instability and increased risk of homelessness in their HOME-ARP allocation plan. These characteristics will further refine the definition of “other populations” that are “At Greatest Risk of Housing Instability,” as established in the HOME-ARP Notice. If including these characteristics, identify them here:

N/A

Identify priority needs for qualifying populations:

Homeless as defined in 24 CFR 91.5

The priority need for people experiencing homelessness in Duluth is safe, stable, and affordable housing. This includes emergency shelter space, long-term supportive housing, and permanent affordable housing. The number of people experiencing homelessness in Duluth is approximately three times greater than the number of shelter beds available, and rising home prices have added pressure to an already tight market for affordable units. Additionally, prolonged and intensified use of shelter units during the COVID-19 pandemic has left many existing housing options in need of repair.

At Risk of Homelessness as defined in 24 CFR 91.5

The top priority need for people at risk of experiencing homelessness in Duluth is safe, stable, and affordable housing. There is an immediate need for at least an additional 150 permanent supportive housing beds just to serve the currently existing population.



Two related priority needs include (1) rental assistance that can cover more expensive rates and (2) supportive services that help members of this population maintain housing once secured.

Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice

The priority need for people fleeing or attempting to flee domestic violence in Duluth is safe, private, and flexible shelter space. Currently there are fewer than 100 beds available to serve the more than 500 individuals who fled or attempted to flee domestic violence during the past year.

The existing beds are not turning over as quickly as normal because it has been increasingly challenging for people using them to find permanent housing within 30 days. In addition to needing more beds, this population needs shelters with flexibility to allow longer stays, greater capacity for secure storage, and the ability to shelter pets.

Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability as defined by HUD in the Notice

The priority need for populations requiring services or housing assistance to prevent homelessness or who are at greatest risk of housing instability in Duluth is safe, stable, and affordable housing. Many of these people are paying more than 30% of their income towards housing or are dependent on rental assistance programs. This population needs more opportunities to find affordable units throughout the city.

Ongoing supportive services to help this population maintain housing is also a priority, and a third priority is additional rental assistance that can cover more expensive rates.

Duluth's Qualifying Populations need more affordable units, more shelter units, more transitional units, and better upkeep for all existing units. Both city data and agency testimony show these as key priorities.

Additional priorities include follow-up services after members of Qualifying Populations move to permanent housing, and more mental health and chemical dependency care as the prevalence of these conditions continue to rise.

Requests for rental assistance are rising as rents rise, and service providers are bracing for additional requests now that the eviction moratorium has expired.



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802

218-730-5580
planning@duluthmn.gov

Finally, service providers identified the opportunity to provide non-profit capacity building and non-profit operating funds as a unique chance to support new or expanded initiatives targeting Qualifying Populations. One shelter speculated in June about how they might be able to offer ongoing “light case management” services for people who have transitioned to permanent housing—checking in to make sure bills are paid and the living space is clean, for example. The Community Development Committee hopes that local non-profit organizations like this one will be able to leverage HOME-ARP funds to develop permanently expanded capacity to deliver services like these and to conduct outreach efforts that engage and support Duluth’s Qualifying Populations.

Explain how the PJ determined the level of need and gaps in the PJ’s shelter and housing inventory and service delivery systems based on the data presented in the plan:

Based on city data, community input and consultation with agencies, and collaboration with the St. Louis County Continuum of Care, the Community Development Committee identified more affordable housing units and more non-congregate shelter spaces as the most pressing needs for the City’s Qualifying Populations. The Community Development Committee also recognized a need to support service providers as they work to provide ongoing support and rental assistance for members of Qualifying Populations.

HOME-ARP Activities

Describe the method(s) that will be used for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors:

The City of Duluth will solicit applications from organizations to complete eligible HOME-ARP activities. Applicants will submit their proposals using the City’s annual entitlement funding application template. As part of the next step in the City’s HOME-ARP administration process, this application will be updated to include a scoring rubric specifically aligned to HOME-ARP funding priorities. City staff will prepare the applications for review by Duluth’s Community Development Committee. The Community Development Committee will then review and score each application and make funding recommendations aligned with the priorities described in this Plan.

The Community Development Committee will take public comments on the HOME-ARP funding proposals for 15-days and hold a public hearing, after which they will vote to recommend the funding proposal to Duluth’s City Council. If the City Council votes to adopt the funding proposal and the Mayor approves, city staff will notify funding recipients and work with the purchasing and finance offices to award contracts and distribute HOME-ARP funds as reimbursement for eligible activities.



Planning & Development Division
 Planning & Economic Development Department

Room 160
 411 West First Street
 Duluth, Minnesota 55802

218-730-5580
 planning@duluthmn.gov

Describe whether the PJ will administer eligible activities directly:

The City of Duluth will not administer eligible activities directly. Based on the recommendations of the Community Development Committee, the City of Duluth will award contracts to organizations proposing to carry-out eligible HOME-ARP activities. After those contracts are issued, each contract holder will submit quarterly invoices to the City for compliance review. The City will then use HOME-ARP funds to reimburse expenses for the HOME-ARP eligible activities listed on each invoice. Developers constructing rental properties will follow the same process.

If any portion of the PJ's HOME-ARP administrative funds are provided to a subrecipient or contractor prior to HUD's acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ's entire HOME-ARP grant, identify the subrecipient or contractor and describe its role and responsibilities in administering all of the PJ's HOME-ARP program:

The City of Duluth will administer its own HOME-ARP program.

Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 198,665.80	10%	
Acquisition and Development of Non-Congregate Shelters	\$ 496,664.50	25%	
Tenant Based Rental Assistance (TBRA)	\$ 99,332.90	5%	
Development of Affordable Rental Housing	\$ 695,330.30	35%	
Non-Profit Operating	\$ 99,332.90	5 %	5%
Non-Profit Capacity Building	\$ 99,332.90	5%	5%
Administration and Planning	\$ 297,998.70	15 %	15%
Total HOME ARP Allocation	\$ 1,986,658.00		

Describe how the PJ will distribute HOME-ARP funds in accordance with its priority needs identified in its needs assessment and gap analysis:

The greatest portion of Duluth's HOME-ARP award will be distributed to projects developing affordable rental housing and developing non-congregate shelters. The City's greatest needs are affordable housing units and shelter space, so the Community Development Committee recommends that 60% of the City's award be allocated to these programs, with 35% going towards affordable housing and 25% going towards non-congregate shelters. The Community Development Committee recognized the ongoing need for supportive services, particularly



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802

218-730-5580
planning@duluthmn.gov

follow-up services, new mental health services, and new chemical dependency services. The Committee recommends allocating 10% of the City's award for these projects.

Representatives of the City's TBRA program have stated that more housing units are needed to fully utilize the program's existing funding. Creating affordable housing units is one of the most important objectives defined in Duluth's Comprehensive Plan, and the City is aggressively working to add more than 400 units before the end of the HOME-ARP performance period in 2030. In anticipation of this additional supply and in recognition of the role TBRA plays in providing relief for cost-burdened families, the Community Development Committee recommends a 5% HOME-ARP allocation for the program. The Community Development Committee will review the TBRA allocation annually and will recommend a reallocation of this sum if funds continue to be underutilized.

Most of the HOME-ARP administration funding will be retained by the City to pay for staff time and other costs associated with the program. Applications for HOME-ARP funding will be scored in part based on the applicant's existing capacity to administer proposed activities. However, up to 5% of the HOME-ARP administration fund will be set aside for agency staff time. The Community Development Committee will have discretion to recommend this funding based on their evaluation of the applicant's need.

Opportunities to fund non-profit capacity building and operations is an exciting opportunity so the Community Development Committee recommends taking advantage by allocating 5% of the HOME-ARP award to Non-Profit Operating and another 5% to Non-Profit Capacity Building. The Committee hopes this might inspire some creative approaches to serving Duluth's Qualifying Populations.

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

The City of Duluth has insufficient affordable housing units and shelter beds to serve Qualified Populations in the community. The City's data clearly shows this shortfall and the consequences for community members and service providers were consistent themes during consultation. Resources to maintain the existing stock of affordable units and emergency shelters is also badly needed. As a result, the Community Development Committee determined that allocating the most significant percentages of Duluth's HOME-ARP award to affordable rental housing projects and non-congregate shelter projects would be the best way to address unmet need.



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802

218-730-5580
planning@duluthmn.gov

Qualifying Populations are experiencing greater need for mental health and chemical dependency services, and service providers note that permanent housing placements would be more stable with additional follow-up services. The Community Development Committee decided to award \$198,665 to support organizations providing services like this, which is more than 50% of Duluth's 2022 entitlement allocation for Public Services.

Duluth's rental assistance program has been slow to spend some of its existing funds, but the Community Development Committee anticipates more spending now that the eviction moratorium has been lifted. The Committee determined that an additional \$99,332 will give the program some greater cushion when that happens.

The Community Development Committee also recognized the opportunity to fund non-profit capacity building and operating expenses could be particularly beneficial to several creative new organizations. Allocating \$99,332 towards each of these efforts will help make service delivery more sustainable, particularly for younger non-profits.

HOME-ARP Production Housing Goals

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:

The Community Development Committee has recommended putting \$695,330.30 from Duluth's HOME-ARP award towards producing or supporting affordable rental housing units as part of an ongoing effort to create the approximately 400 new units the City needs in order to adequately serve the community. The number of affordable rental housing units the City will actually produce or support will depend on what proposals are submitted during the application process and available matching funds for each project. Based on past experience, this allocation could produce or support 25 units.

Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how the production goal will address the PJ's priority needs:

The number of affordable rental housing units the City will produce will depend on what proposals are submitted during the application process. Based on past experience, this allocation could produce 25 units. Greater access to safe, stable, and affordable housing is the top priority for Duluth's Qualifying Populations and every unit built will help to meet our community's need.



Preferences

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

The CD Committee has determined that this plan should adopt preferences aligned with the prioritization already established for families and individuals accessing the St. Louis County Coordinated Entry system. These preferences reflect an effort to support those in greatest need ahead of families or individuals whose needs are less chronic or severe. The City of Duluth will use the following order of preference for all qualifying populations and subpopulations:

- Chronically Homeless Individuals and Families with the Longest History of Homelessness and with the Most Severe Service Needs are considered for openings first.
 - Chronically homeless households with disabilities will receive first preference
- After chronically homeless families and individuals have been considered, households who meet the State of Minnesota definition of long-term homelessness (LTH) are considered next.
- After chronically homeless households & LTH households have been considered, the eligibility will be based on length of time homeless.
 - Households made up of individuals and families will be matched based on the admission criteria and the capacity of units/vouchers available. If there is an option for an individual or family household for program opening, homeless families will be prioritized over homeless individuals depending on the program type and availability. This is true for youth depending on program type and availability as well.
- Victims of Domestic Violence or Sexual Assault are referred immediately to advocacy programs. Victims that choose to access the Coordinated Entry system may be placed on the priority lists of their choice where they believe they may be able to safely live.
- Members of “Other Populations” as defined by the HOME-ARP Implementation Notice will be considered eligible for HOME-ARP programs during weekly Case Conferencing Meetings even if they are not accessing Coordinated Entry.

If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ’s needs assessment and gap analysis:

Giving preference to families and individuals experiencing chronic and long-term homelessness is responsive to the essential finding of Duluth’s needs assessment and gap analysis: more units



are needed to serve the city’s unhoused population. Service provider feedback also specifically identified a critical need for more accessible units and more support for individuals needing mental health care. The County’s existing CE process is designed to address these needs and gaps. Aligning the City’s HOME-ARP preferences to the CE’s established priorities will ensure that additional resources are delivered to the families and individuals who need them most.

Referral Methods

Identify the referral methods that the PJ intends to use for its HOME-ARP projects and activities. PJ’s may use multiple referral methods in its HOME-ARP program. (Optional):

The City of Duluth works closely with the St. Louis County Continuum of Care and will use the established coordinated entry process to manage referrals. In addition, the City also actively collaborates with Duluth’s Case Managers—Community Support Funding group. This group is composed of case workers, city and county staff, and they meet weekly to review applications for assistance from individuals who meet the criteria for HOME-ARP’s “Other Populations” but may not be processed through the coordinated entry process. During the administration of the HOME-ARP program the City will ensure that these individuals are treated as eligible candidates for HOME-ARP programs.

If the PJ intends to use the coordinated entry (CE) process established by the CoC, describe whether all qualifying populations eligible for a project or activity will be included in the CE process, or the method by which all qualifying populations eligible for the project or activity will be covered. (Optional):

Most members of Duluth’s qualifying populations are included in the CE process. The City will ensure that members of “Other Populations” as defined by the HOME-ARP Implementation Notice are covered by the program by continuing to collaborate with the local Case Managers—Community Support Funding group, which receives applications for support from individuals who may not be processed through CE.

If the PJ intends to use the CE process established by the CoC, describe the method of prioritization to be used by the CE. (Optional):

The St. Louis County CE process, which covers the City of Duluth, gives priority to those families and individuals with the greatest need. The prioritization is as follows:

- Chronically Homeless Individuals and Families with the Longest History of Homelessness and with the Most Severe Service Needs are considered for openings first.
 - Chronically homeless households with disabilities will receive first preference



- After chronically homeless families and individuals have been considered, households who meet the State of Minnesota definition of long-term homelessness (LTH) are considered next.
- After chronically homeless households & LTH households have been considered, the eligibility will be based on length of time homeless.
 - Households made up of individuals and families will be matched based on the admission criteria and the capacity of units/vouchers available. If there is an option for an individual or family household for program opening, homeless families will be prioritized over homeless individuals depending on the program type and availability. This is true for youth depending on program type and availability as well.
- Victims of Domestic Violence or Sexual Assault are referred immediately to advocacy programs. Victims that choose to access the Coordinated Entry system may be placed on the priority lists of their choice where they believe they may be able to safely live.

If the PJ intends to use both a CE process established by the CoC and another referral method for a project or activity, describe any method of prioritization between the two referral methods, if any. (Optional):

The City of Duluth will use both the formal CE process as well as a weekly Case Conferencing process to ensure that members of all Qualifying Populations, including “Other Populations” as defined by the HOME-ARP Implementation Notice, are prioritized according to the severity of their housing and service needs. Most often, but not always, this means that referrals coming through Coordinated Entry will be prioritized over those identified during Case Conferencing, but all Qualifying Populations will be ranked according to their needs.

Limitations in a HOME-ARP rental housing or NCS project

Template

Describe whether the PJ intends to limit eligibility for a HOME-ARP rental housing or NCS project to a particular qualifying population or specific subpopulation of a qualifying population identified in section IV.A of the Notice:

The Community Development Committee determined that preserving broad eligibility for HOME-ARP rental housing and NCS projects would elicit the strongest proposals. Therefore, no limitations on eligibility will be established.



If a PJ intends to implement a limitation, explain why the use of a limitation is necessary to address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis:

N/A

If a limitation was identified, describe how the PJ will address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the limitation through the use of HOME-ARP funds (i.e., through another of the PJ's HOME-ARP projects or activities):

N/A

HOME-ARP Refinancing Guidelines

If the PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds, the PJ must state its HOME-ARP refinancing guidelines in accordance with [24 CFR 92.206\(b\)](#). The guidelines must describe the conditions under which the PJ will refinance existing debt for a HOME-ARP rental project, including:

- *Establish a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing to demonstrate that rehabilitation of HOME-ARP rental housing is the primary eligible activity*

N/A

- *Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.*

N/A

- *State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.*

N/A

- *Specify the required compliance period, whether it is the minimum 15 years or longer.*

N/A



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802



218-730-5580



planning@duluthmn.gov

- ***State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.***

N/A

- ***Other requirements in the PJ's guidelines, if applicable:***

N/A