

Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The Consolidated Plan is a five-year planning document laying out the goals for the City of Duluth's Community Development program. The City uses this collaborative process to establish a unified vision for community development actions. This process allows the City Administration and Citizens to shape the various housing and community development programs into effective, coordinated neighborhood and community development strategies. It also creates the opportunity for strategic planning and citizen participation to take place in a comprehensive context, and to reduce duplication of effort at the local level. This document outlines the community's outcomes and objectives for 2015 through 2019.

The Consolidated Plan approach is also the means to meet the submission requirements for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG) formula programs.

The statutes for the formula grant programs set forth three basic goals against which the plan and the jurisdiction's performance under the plan will be evaluated by HUD. Each year the City's plan must state how it will pursue these goals for all community development programs, as well as all housing programs.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

DECENT HOUSING - - which includes:

- assisting homeless persons to obtain affordable housing;
- assisting persons at risk of becoming homeless;
- retaining the affordable housing stock;
- increasing the availability of affordable permanent housing in standard condition to low- and moderate-income families, particularly members of disadvantaged minorities, without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability;
- increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and
- providing affordable housing that is accessible to job opportunities.

A SUITABLE LIVING ENVIRONMENT - - which includes:

- improving the safety and livability of neighborhoods;
- eliminating blighting influences and the deterioration of property and facilities;
- increasing access to quality public and private facilities and services;
- reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods;
- restoring and preserving properties of special historic, architectural, or aesthetic value; and
- conserving energy resources and use of renewable energy sources.

EXPANDED ECONOMIC OPPORTUNITIES - - which includes:

- job creation and retention;
- establishment, stabilization and expansion of small businesses (including micro-businesses);
- the provision of public services concerned with employment;
- the provision of jobs to low-income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the plan;
- availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices;
- access to capital and credit for development activities that promote the long-term economic and social viability of the community; and
- empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.

3. Evaluation of past performance

Each program that is funded with CDBG, HOME and ESG funding is monitored annually to make sure that the number of people who were going to be served for a specific need were met. If not, then that program is evaluated to determine if the need for that the program is still a priority or if that need is being met elsewhere due to other new funding sources or if the community dynamics have changed and the demand for a specific need has decreased. Every year, there are public input sessions to gather input on community needs to evaluate if a need should be a goal for this plan. A description of the goals and a description of the public input process is provided in the annual action plan, which is submitted to HUD for review and approval.

4. Summary of citizen participation process and consultation process

The citizen participation process is outlined in the 2014 Citizen Participation Plan and was integral in goal-setting and developing strategies in the plan. The City used a combination of public hearing, newspaper outreach, and surveys (both online and in person) to identify needs in Duluth.

The Citizen Participation Plan lists out the public process that the Community Development Division utilizes throughout the year. The plan includes the process for the development of the Consolidated Plan. The Citizen Participation Plan can be found online at: <http://www.duluthmn.gov/community-development/>

The process starts with an analysis of the housing market to determine the affordable housing gaps and a community needs assessment. Then the Community Development Division holds a community development and housing needs public hearing, which states the process to develop the Consolidated Plan and address the general needs of the community that could be addressed with HUD program funds. The purpose of this hearing is to review housing market data to determine housing needs and to analyze other survey data to define community development needs. The CD Division meets with various concerned groups and agencies that deal with community needs, after which a draft Consolidated Plan priorities and strategies is developed. This is then followed by a summary advertisement in the local newspaper and news release that copies are available for inspection at the local library, as well as the offices of the CD Division in City Hall and on-line on the City's website. All who are interested may obtain copies, at no cost, of the draft Consolidated Plan during the 30-day public comment period. A summary of any comments, written or oral, received during the 30-day comment period, along with the City response to the same, will be attached to and become part of the "final" Consolidated Plan. An additional Public Hearing is held by the CD Committee or the City Council after the 30-day comment period and prior to the City Council formally approving the Consolidated Plan and forwarding it to HUD for review and approval.

In addition to this process the Community Development Division conducted a survey, both online and in-person to reach more citizens in Duluth. The online survey was advertised on local television news stations, social media, and through word-of-mouth and could be filled out at home, at area branch libraries, program provided public computers, or on smartphones. The survey was also made available at several local food shelves and soup kitchens and at neighborhood events to gain further comments, which assisted in getting to neighborhoods and programs that serve a proportionally high percentage of low income individuals and persons of color.

5. Summary of public comments

The 30-day public comment period will begin on Friday, October 31 2014 and will end on Monday, December 1 2014. The comments received during this time and the minutes from the Public Hearing on October 28, 2014 are attached.

Public Hearing Minutes #1

MEETING SUMMARY OF THE

COMMUNITY DEVELOPMENT COMMITTEE (CDC) MEETING

TUESDAY, OCTOBER 28, 2014 – 5:30 P.M.

COUNCIL CHAMBERS - THIRD FLOOR- CITY HALL

Present: Randy Brody, Barbara Carr, Hamilton Smith, Deb Branley, Harrison Dudley, Jeffery Rosenthal, Reyna Crow

Absent: Justin Perpich, Kristi Gordon

Staff: Keith Hamre, Karen Olesen, Ben VanTassel, Suzanne Kelley, Michael Palermo

1. Roll Call

Carr called the meeting to order at 5:30PM. A Quorum was present.

2. Approve Meeting Summary for October 22nd Meeting

Rosenthal moved, Branley seconded motion to approve the meeting summary for October 22 meeting. Motion was approved unanimously.

3. Review of Community Development Manager's Funding Recommendation

Hamre explained that the 2015-2019 Consolidated Plan will be in a draft format on October 31 and the FY 2015 Action Plan and funding recommendations will be included. With the draft available on October 31st, the 30-day comment period will end December 1st. Tonight the committee will review preliminary recommendations.

Public Hearing Minutes #2

Hamre reviewed the preliminary funding amounts. The recommendations were fairly close to the original category targets identified by the committee. There was a difference of \$787,000 between the amount requested and the amount recommended. Hamre gave a brief summary of the HOME applications. Hamre recommend the committee use the hold harmless amount for ESG, \$120,000. Hamre summarized the affordable housing projects under CDBG. He suggested funding the LSS Center for Changing Lives for acquisition to help move the project along. Having the site acquired will give LSS a stronger application for state funding in the future. Hamre recommended that the FY2015 pre-commitment for HOME funding for the LSS project be pushed to 2016. This would allow for LSS to resubmit for tax credits from the state. HOME funds have to be expended in a timely manner and that would not allow for any project delays. Hamre discussed the difficulty the committee faces after finding

out many of the applications that were contingent on tax credits were not awarded the tax credits. He recommended that the committee hold off on these projects until next year.

Public Hearing Minutes #3

All Economic Development applicants scored over 80 points which were very good scores and all were recommended. Hamre recapped all the public facility projects. He explained that he recommended the West Duluth food project for more funding than they requested because of new developments that the project is looking to expand into Lincoln Park and can leverage other funding opportunities. Hamre highlighted that only five Public Services projects received recommended amounts. Of those five, two were medium priority but received scores in the 80's and were recommended to receive half of requested. The remaining applications HO-01 to HO-07 were recommended to be part of the earmarked \$142,000 CDBG and additional ESG money. By December 1st, CD Staff hopes to have a definition of per unit service amount and benchmarks to use for allocating CDBG and ESG funds for homeless related services. Hamre went on to discuss the Administration budget. HOME Administration had a requested budget of \$50,583 but was recommended for \$45,948. This was because the HRA requested an amount higher than the 10% administration cap so only \$8,500 will go to HRA. However, they can recoup some costs under program services costs. Hamre explained the Community Development Division budget. There are 5.83 filled positions because of a half time secretary and 1/3 for Hamre as director. There are 2 senior planners and 3 planners IIs. The division does not have a manager or a planner I. The CD Division also pays the finance department for staff time. Other Post employment liability benefit will stay the same. The CD Division has a negative budget amount but the manager position is about 2/3 of that amount. Furthermore, other income comes from programs such as LEAD. The contract for all employees has a 2% increase.

Public Hearing Minutes #4

4. Prepare Preliminary FY 2015 Community Development Program Budget and Action Plan and the 2015-2019 Consolidated Plan for 30-day Public Comment Period and December 2nd Public Hearing at 5:30 p.m. Carr asked Hamre if the funds set aside for emergency services was sufficient or needed to be altered? Hamre said that staff sat down with emergency service providers they explained that \$142,000, which is the same funding as last year, would be set aside. While the amount puts funding below the 15% cap for public services, the remaining can be used for Coordinated Assessment or added benchmarks. Olesen thought the Agencies were satisfied that funding is not being reduced and they thought benchmarks might be ok to follow through with HUD guidelines. Public Facilities will be the first to be discussed by the committee. Brody liked the Bethel Project but didn't think it was a neighborhood facility and explained the different ways he was looking to fund it. It did not meet the criteria for a neighborhood facility. Crow asked for clarification of the partners working on the West Duluth Food Access. VanTassel explained that Parks and Recreation, Planning, Community Development, Facilities Management, Junior League, Zeitgeist Art Center, Community Action Duluth, LISC, Duluth Community Garden Program have seen a blend in missions and are looking to include the School District and Whole Foods Co-op in the collaboration. There is a specific site identified in West Duluth and the collaboration

is looking into Lincoln Park. Hamre added that the Healthy Duluth Area Coalition participating and interested in a Lincoln Park location as well. Brody motioned to accept the managers recommendations for the Public Facilities projects without alterations, Rosenthal seconded the motion. The motion passed unanimously.

Public Hearing Minutes #5

Carr asked for explanation why the Multi-family Development project was not recommended for funding. Olesen explained that the application had many projects only one of which was ready to go. Particularly the Gateway Tower was not chosen by MHFA for tax credits so given the timeline of the HOME funds the project would not fit. Carr asked if this was something where we can do a recommitment. Hamre explained that the 30 day comment period could be an opportunity to float out ideas such as pre-commitment.

Carr explained that it was hard to see the focus in the application with 3 projects. She asked staff if they thought Gateway was the highest priority of the 3. Olesen said that she wasn't sure but the pre commitment could be an opportunity to get their response. Brody asked if they could address the issue in December. Hamre said yes. They could do a pre-commitment tonight to generate comment or wait until December. Hamre noted that the committee is open to pre-commitment. Brody motioned to propose soliciting input from 1Roof Community Housing as to what project they want to focus on and the Community Development Committee will consider a pre-commitment of \$200,000. Rosenthal seconded the motion. The motion passed with 6 ayes and 1 nay vote from Branley. Smith motioned to accept the manager's recommendations for housing projects. The motioned was seconded by Branley. The motion passed unanimously. Carr asked for discussion of the Economic Development applications. No discussion occurred. Crow motioned to accept the manager's recommendations for Economic Development projects. The motion was seconded by Brody. The motion passed unanimously. Carr asked to table the homeless related projects. Hamre explained that the five homeless projects will be in the FY 2015 Action Plan with homeless coordination as one project and explain how they will connect with ESG and the Continuum of Care. Carr asked if the Washington Center Kitchen project was not funded would it affect NYS's proposal. Hamre was unsure. Rosenthal Motioned to Approve 15-PS-01 through 15-PS-05 by manager's recommendation. Branley seconded the motion. The motion passed unanimously.

Public Hearing Minutes #6

Carr asked for clarification of the LSS's funding request. Hamre said they requested \$500,000. He explained \$300,000 was requested for CDBG and \$200,000 for HOME. Brody motioned to accept the manager's recommendations for the HOME Program Hamre explained there is nothing for ESG funding which is shown on page 7. He directed them to Administration on page 8. Crow motioned to approve the manager's recommendations for administration. Rosenthal seconded the motion. The motion passed unanimously. Hamre announced that the 30 day public comment period will be October 31st to December 1st. The recommendations, FY 2015 Action Plan, and 2015 to 2019 Consolidated Plan will be

on the website as of Friday October 31. The consolidated plan is in a new format due to the need to enter it into a web based.

From: Mark Poirier [mailto:poirierarchitect@gmail.com]
Sent: Thursday, November 20, 2014 9:34 AM
To: Michael Palermo
Cc: Ben VanTassel
Subject: RE: Consolidated plan/Action Plan Comments

Thanks Mike for the reply.

I think the Armory redevelopment project is well positioned to meet a number of the goals of the Consolidated Plan. Our current Board approved plans call out for a mix of housing, retail and community spaces. If redeveloped as such the Armory would meet two of your focus areas by providing housing and employment opportunities.

Please make sure the Community Development Committee is aware of the potential of the Armory project to meet these needs while at the same time saving a building on the National Register of Historic Places and a great piece of Duluth history. A mention of the project in the Consolidated Plan might be appropriate.

If you or the Committee have additional questions please contact me.

Thanks again!

Mark Poirier AIA
218.428.9686

From: Mark Poirier [mailto:poirierarchitect@gmail.com]
Sent: Friday, November 07, 2014 11:32 AM
To: duluthcommdev
Subject: Consolidated plan/Action Plan Comments

I have spent some time reviewing this rather long document and have a couple questions.

1. What needs and initiatives have been identified for the historic Duluth Armory and its immediate neighborhood?
2. Can the Armory Arts & Music Center organization assist the City and community in meeting those needs?
3. What census tract is the Armory located? The address is 1305 London Road 55805.

Thanks,

Mark Poirier
Project Development Consultant
Armory Arts & Music Center
218.428.9686

Comments received during public comment process

6. Summary of comments or views not accepted and the reasons for not accepting them

The comments were related to funding requests, which will be considered.

7. Summary

The Consolidated Plan consists of a number of parts including: a housing and community needs assessment that analyzes the current market conditions, a section on the needs for people who are homeless, a Strategic Plan section and the Annual Action Plan. The Strategic Plan is a key component of the Consolidated Plan, as this section outlines the Community's objectives and outcomes to meet the needs identified in the assessment section. The Annual Action Plan, one of five annual plans, outlines how the federal Community Development resources will be allocated in FY 2015. Each year after that an Annual Plan will be completed to communicate how these funds will be allocated to meet the objectives identified in the Consolidated Plan.

The Annual Action Plans will also include a section that evaluates the community's performance towards meeting the objectives outlined in the Consolidated Plan, meaning how well we are achieving progress towards the priority needs of the City of Duluth.