

# **Strategic Plan**

## **SP-05 Overview**

### **Strategic Plan Overview**

The Strategic Plan was developed using data collected for the Needs Analysis and Market Analysis. Along with public input the priorities were created to address issues pertaining to Housing, Homelessness, Public Facilities, and Economic Development.

## **SP-10 Geographic Priorities – 91.215 (a)(1)**

### **Geographic Area**

**Table 48 - Geographic Priority Areas**

#### **General Allocation Priorities**

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

The City of Duluth does not have any HUD approved revitalization areas, however the City does focus its funding on 5 low income neighborhoods: Lincoln Park, Morgan Park, West Duluth, East Hillside and Central Hillside.

## SP-25 Priority Needs - 91.215(a)(2)

### Priority Needs

Table 49 – Priority Needs Summary

1	<b>Priority Need Name</b>	Affordable Rental Housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Victims of Domestic Violence Unaccompanied Youth
	<b>Geographic Areas Affected</b>	
	<b>Associated Goals</b>	Affordable Rental Housing
	<b>Description</b>	Maintaining and increasing the supply of affordable rental units.
	<b>Basis for Relative Priority</b>	Renters as a whole are significantly cost burdened, with more than half of all Duluth tenants paying more than 30% of their income for housing. Very low and low-income families (both small and large households) are the most likely to experience severe cost burdens, spending half or more of their income on rent. There is an insufficient amount of subsidized rental units to meet the demand, as indicated by the HRA's waiting lists for public housing and housing vouchers. The overall vacancy rate for rental units in Duluth is 3.7%. in particular, households experiencing homelessness and those that do not qualify for HRA's housing programs have great difficulty securing and maintaining rental units.

2	<b>Priority Need Name</b>	Affordable Owner Occupied Housing
	<b>Priority Level</b>	High
	<b>Population</b>	Low Moderate Large Families Families with Children Elderly
	<b>Geographic Areas Affected</b>	
	<b>Associated Goals</b>	Affordable Home Owner Housing
	<b>Description</b>	Assist families to become homeowners by addressing value and/or affordability gap(s), and by increasing the supply of quality affordable single family units.
	<b>Basis for Relative Priority</b>	Although homeowners in general are less cost burden than renters, a higher percentage of low to moderate income owners are paying an excessive amount of their income towards housing, as well as experiencing housing problems. Housing problems include plumbing in disrepair, unvented or unreliable heating source, lack of basic kitchen facilities, leaks, pest infestations, missing or unsafe electrical systems or other health and safety violations. This creates a high number of homeowners who may be "precariously housed," barely able to keep up with the costs of owning a home. They often lack the resources to maintain their homes in good condition, or to upgrade an older house to modern energy standards. They also face a higher risk than renters of losing their housing through foreclosure. Most elderly homeowners are not paying excessive amounts of their income for housing.
3	<b>Priority Need Name</b>	Special Needs Housing
	<b>Priority Level</b>	High

	<b>Population</b>	<p>Chronic Homelessness</p> <p>Individuals</p> <p>Families with Children</p> <p>Mentally Ill</p> <p>Chronic Substance Abuse</p> <p>veterans</p> <p>Persons with HIV/AIDS</p> <p>Victims of Domestic Violence</p> <p>Unaccompanied Youth</p> <p>Elderly</p> <p>Persons with Mental Disabilities</p> <p>Persons with Physical Disabilities</p> <p>Persons with Developmental Disabilities</p> <p>Persons with Alcohol or Other Addictions</p> <p>Persons with HIV/AIDS and their Families</p> <p>Victims of Domestic Violence</p>
	<b>Geographic Areas Affected</b>	
	<b>Associated Goals</b>	Homelessness
	<b>Description</b>	Housing that accommodates people with disabilities and those who are homeless.
	<b>Basis for Relative Priority</b>	<p>The 2008 ACS estimates that there are 6,416 persons between the ages of 18 and 64 with disabilities in Duluth. Often with individualized services and adaptive housing, persons with disabilities can live independently as contributing members of the community. In particular, persons with physical disabilities greatly benefit from accessible housing, and those with chronic addition and/or mental health issues need support to maintain permanent housing and break a cycle of homelessness. Persons with special needs face additional obstacles in securing and retaining appropriate housing, and are therefore, a priority for housing resources. Based on the most recent "point in time" count, an estimated 300 to 350 person are experiencing homelessness in Duluth. Studies have shown that many of these individuals and families could maintain housing is they are provided an appropriate level of supportive services in subsidized housing units. As the "housing first" model becomes the focus of the Continuum of Care efforts to address long-term homelessness, there is an increased need for permanent, supportive housing units.</p>

4	<b>Priority Need Name</b>	Communtiy Structural Public Facilities
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions
	<b>Geographic Areas Affected</b>	
	<b>Associated Goals</b>	Community Public Facilities
	<b>Description</b>	Assist neighborhood facilities that provide vital services with accessibility improvements and/or repairs due to flood damage and/or provide nutrition and food accessibility. These facilities include Homeless Facilities, Neighborhood Facilities, and Parking Facilities.

	<b>Basis for Relative Priority</b>	A majority of the structures in the City of Duluth were built prior to 1940, this includes Public Facilities. Since these buildings were built prior to regulations requiring universal accessibility, many of them are not accessible. In addition, in 2012, the City experienced a major flood that cause significant damage. This flood was declared a Presidential Emergency and due to it being so severe and costly, many buildings that service the public have not been able to be adequately repaired.
5	<b>Priority Need Name</b>	Community Non-Structural Public Facilities
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Large Families Families with Children Elderly
	<b>Geographic Areas Affected</b>	
	<b>Associated Goals</b>	Community Development Infrastructure Neighborhood Revitalization
	<b>Description</b>	Assisting LMI homeowners with street improvement assessments. Assisting LMI neighborhoods by installing sidewalk accessibility. Improving mostly LMI neighborhoods with blight removal (acquiring real property and demolition).
	<b>Basis for Relative Priority</b>	The majority of the roads in neighborhoods were constructed when the housing was built, which is pre-1940; therefore the roads are old. This, combined with the harsh winters and the freeze/thaw effect of Duluth winters makes the roads requiring on-going maintenance, which was not always possible, therefore there are many roads in very poor condition. In addition most utilities that are located under those streets are 85 years old. During the 2014 Community Survey, road repair was the highest requested item. In addition, there are number of structures (mostly residential) that were built prior to 1940 that have not been maintained and have been determined by housing rehab specialists to be more expensive to repair than to demolish. The majority of these blighted structures are in LMI neighborhoods, which in impacts the living conditions and home values. By removing these structures, these neighborhoods could improve in value and safety.
6	<b>Priority Need Name</b>	Public Services
	<b>Priority Level</b>	High

	<b>Population</b>	Extremely Low Low
	<b>Geographic Areas Affected</b>	
	<b>Associated Goals</b>	Public Services
	<b>Description</b>	Funds will be use for programs which meets the basic needs of the community.
	<b>Basis for Relative Priority</b>	The programs to be supported fulfill basic needs (food and shelter) for people who are low-income and/or homeless; provide health and dental care for residents who are uninsured by the American Affordable Health Care Act; help abused and neglected youth and others who are homeless or at risk of becoming homeless, and provide tenant/landlord mediation services to prevent evictions.
7	<b>Priority Need Name</b>	Economic Development
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate
	<b>Geographic Areas Affected</b>	
	<b>Associated Goals</b>	Economic Development
	<b>Description</b>	Support Duluth at Work initiatives that assist participants to access living wage jobs through local businesses and support programs that help low-income people gain work skills; jobs and employment history that results in increased income and overall stability. Provide training and technical assistance to businesses to increase assets and create jobs.
	<b>Basis for Relative Priority</b>	Computer skills, technical training and resume writing where the top three employment training needs identified in the 2014 Community Survey. The primary obstacles to employment reported by the Community Survey respondents were disability or health issues and lack of training and education.
8	<b>Priority Need Name</b>	Homelessness



	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Large Families Families with Children Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth
	<b>Geographic Areas Affected</b>	
	<b>Associated Goals</b>	Tenant Based Rental Assistance Homelessness
	<b>Description</b>	<ul style="list-style-type: none"> <li>• Support the implementation and operation of coordinated access entry sites for families; youth and singles;</li> <li>• Support housing stabilization initiatives for homeless populations with special needs,</li> <li>• Support the operation of emergency shelter facilities that help homeless families, youth and individuals rapidly access housing and become stably housed</li> <li>• Provide shelter and stabilization services for women and children experiencing domestic violence and/or sex trafficking</li> <li>• Create additional permanent supportive housing units for chronically homeless or persons with special needs</li> <li>• Support creation or renovation of shelter facility for homeless youth</li> </ul>

	<p><b>Basis for Relative Priority</b></p> <p>The 2008 ACS estimates that there are 6,416 persons between the ages of 18 and 64 with disabilities in Duluth. Often with individualized services and adaptive housing, persons with disabilities can live independently as contributing members of the community. In particular, persons with physical disabilities greatly benefit from accessible housing, and those with chronic addiction and/or mental health issues need support to maintain permanent housing and break a cycle of homelessness. Persons with special needs face additional obstacles in securing and retaining appropriate housing, and are therefore, a priority for housing resources. Based on the most recent "point in time" count, an estimated 300 to 350 person are experiencing homelessness in Duluth. Studies have shown that many of these individuals and families could maintain housing is they are provided an appropriate level of supportive services in subsidized housing units. As the "housing first" model becomes the focus of the Continuum of Care efforts to address long-term homelessness. There is an increased need for permanent, supportive housing units. There is also a need to reduce the number of days people experience in a shelter.</p>
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#### **Narrative (Optional)**

## SP-30 Influence of Market Conditions – 91.215 (b)

### Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	The HRA provides rental assistance to approximately 22 households who would otherwise be homeless. These people are assisted until they can transition onto Section 8 Housing Choice Voucher. This program is part of the continuum of services to prevent homelessness by bridging the gap. These vouchers secure safe, decent and affordable housing for individuals who normally would not have the financial means do so it themselves. Market conditions that lead to the use of HOME funds for tenant-based rental assistance are rents that are unaffordable for extremely-low income households, and a vacancy rate of 3.4% in rental properties.
TBRA for Non-Homeless Special Needs	Not applicable.
New Unit Production	<p>Most of Duluth’s housing stock requires significant upgrades. As Duluth grows economically, attracting jobs in airplane manufacturing and engineering, population is projected to grow. A study conducted by Maxfield Research Inc. found that the current housing stock cannot accommodate the growth in population. Issues that were highlighted by the study were the lack of larger and upscale rental units, the underutilization of financing tools to expand housing supply, and the age and maintenance requirements of the existing housing stock. An example of the limitations of an old housing stock was explained to the Community Development staff at an open house in the Lincoln Park Neighborhood. A young couple explained their experience looking to purchase a house in the neighborhood. Most of the houses were built before the 1950’s and required many substantial upgrades. Upgrades include weatherization, lead paint mitigation, installation of modern appliances, and general maintenance requirements. While most of the homes were affordable even with the upgrades, they could not secure a loan from the bank. The value of the upgrades would not have been reflected in the houses market value thus creating a value gap at which a commercial bank would not support.</p> <p>With the need for 4,400 new housing units by 2019 the City of Duluth believes that an all of the above approach to new housing is necessary. There needs to be an increase in supply of all types of housing units including rental, owner occupied, affordable, and market rate.</p>

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
Rehabilitation	The City of Duluth has an aging housing stock. 54% and of owner occupied and 48% of rental units were built before 1950. Furthermore, units built before 1980 make up 85% of owner occupied and 80% of rental units. This means over 80% of housing units in Duluth are at least 35 years old. Most housing units in Duluth require or will require significant upgrades in the near future. With tight rental and homeowner markets there has been little incentive for property owners to upgrade their units. Code enforcement by the City of Duluth's Life Safety Division has been lacking. This was an impediment identified in the City's Analysis of Impediments to Fair Housing Choice.
Acquisition, including preservation	

**Table 50 – Influence of Market Conditions**

Disability Status	Has one or more of four housing problems					Has none or more of four housing problems				
	0-30% AMI	30-50% AMI	50-80% AMI	>80% AMI	Total	0-30% AMI	30-50% AMI	50-80% AMI	>80% AMI	Total
Households member has a cognitive limitation	780	235	325	75	1415	250	230	235	885	1600
Household member has a hearing or vision impairment	375	350	265	220	1210	75	305	375	1140	1895
Household member has a self-care or independent living limitation	525	425	240	155	1345	215	280	270	850	1615
Household member has an ambulatory limitation	750	520	320	250	1840	255	465	370	1160	2250
Household member has none of the above limitations	3325	2300	2775	1535	9935	635	795	3135	14210	18775
Source: 2008 to 2010 CHAS										

**Disbaled Population Summary from 2008 to 2010 CHAS**

## SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

### Introduction

The City of Duluth expects to receive nearly \$3,000,000 in funds from the Department of Housing and Urban Development (including CDBG, HOME, and ESG). The city has prioritized projects and activities in this plan and will work to disburse the funds to meet the goals and objectives identified.

### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,210,210	0	0	2,210,210	8,840,840	
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	480,896	0	0	480,896	1,923,584	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	198,305	0	0	198,305	793,220	

**Table 51 - Anticipated Resources**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

CDBG, HOME, and ESG funds will help to leverage over \$20,000,000 annually (\$100,000,000 over the 5-year plan) of other federal, state, and local funds. Matching requirements have been regularly met and the city doesn't anticipate having difficulty in satisfying these requirements.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

Although not already identified, publically owned land is always considered as a way to reduce costs for new housing developments. The city of Duluth regularly considers using tax forfeited properties that Saint Louis County manages. These lands range from homes that are in need of

rehab, to severely damaged/condemned buildings, to open lots. Often the city attempts to work with the county to remove the blighted structures and redevelop the land.

## **Discussion**

The City continues to work with area funders, federal, state, and local funders to be able to leverage the federal funds that are received. While local private Foundations experienced a period of reduced funding availability, projections show those amounts to increase. Individual organizations and collaborations have improved at seeking out new and alternative funding sources, in order to maintain service levels within the city. The city also continues to encourage cost-saving-collaborations within the housing, public service, and economic development areas.

## SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
DULUTH	Government	Planning neighborhood improvements public facilities	Other
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH	PHA	Homelessness Ownership Public Housing Rental	Other

**Table 52 - Institutional Delivery Structure**

### Assess of Strengths and Gaps in the Institutional Delivery System

To implement the Consolidated Plan the Community Development Division has a strong partnership with nonprofit and private housing providers, the Housing and Redevelopment Authority of Duluth, social service providers and other public institutions. The Local Initiatives Support Corporation (LISC) is one partner that works closely with the City of Duluth on affordable housing issues. LISC assists Community Development Corporations (CDCs) to implement community goals and provides technical assistance to build capacity in the CDCs to implement their strategic initiatives. Also, LISC assists with bridge financing to promote development that revitalizes neighborhoods through housing and business redevelopment.

The At Home In Duluth collaborative is another partnership consisting of public and private partners and nonprofit housing agencies focused on the revitalization of Duluth's core neighborhoods. This group (facilitated by LISC) has worked with neighborhood residents to develop revitalization plans that include housing goals. A focus of the At Home partnership is to build relationships with private developers to encourage new housing units within the Target Areas, along with reaching out to other partners to implement other strategies of their plans.

Duluth at Work collaborative is a partnership between Community Development, LISC and the Workforce Development Division to work with local businesses and place trained individuals from the Temporary Assistance for Needy Families (TANF) program in jobs. A key component of Duluth at Work is the goal of increasing income and assets of low-moderate income individuals by 25% over a three-year period.

The City of Duluth, in collaboration with St. Louis County, has adopted a ten-year plan to address homelessness. The ten-year plan contains new strategies for ending homelessness, particularly for people who are chronically homeless. The City is a partner in the implementation process for the plan



and has three members on the implementation committee. This committee includes members from the public, nonprofit and private sectors. Further definition is needed for better coordination with resources to meet the needs of persons who are homeless or at risk of becoming homeless to address shortages in the operation of units within the Continuum of Care inventory.

The Housing and Redevelopment Authority of Duluth (HRA) is a partner with the Community Development Division. The HRA board is appointed by the Mayor and confirmed by the City Council. A number of services are provided by the HRA that assist with the Community Development program administration through construction management, relocation and on-site code compliance inspection services.

### **Availability of services targeted to homeless persons and persons with HIV and mainstream services**

<b>Homelessness Prevention Services</b>	<b>Available in the Community</b>	<b>Targeted to Homeless</b>	<b>Targeted to People with HIV</b>
<b>Homelessness Prevention Services</b>			
Counseling/Advocacy	X	X	
Legal Assistance	X	X	
Mortgage Assistance	X		
Rental Assistance	X	X	
Utilities Assistance	X	X	
<b>Street Outreach Services</b>			
Law Enforcement	X	X	
Mobile Clinics			
Other Street Outreach Services	X	X	
<b>Supportive Services</b>			
Alcohol & Drug Abuse	X	X	
Child Care	X	X	
Education	X		
Employment and Employment Training	X	X	
Healthcare	X	X	
HIV/AIDS			
Life Skills	X	X	
Mental Health Counseling	X	X	
Transportation	X		
<b>Other</b>			
Food Services	X	X	

**Table 53 - Homeless Prevention Services Summary**

**Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)**

**Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above**

The City of Duluth supports a wide array of mainstream services. The City of Duluth supports the Duluth at Work program through its CDBG funding. This is an employment program to help those facing barriers to employment. The Duluth at Work program mostly targets extremely low income individuals who are often not deemed to be work ready by the workforce center. The Duluth at Work program brings together several organizations who share best practices in job training, employer relationship building, and screening. The participants in the Duluth at Work program often cannot find assistance through the more traditional workforce center. These two programs work together to help low income individuals gain job readiness skills and job training. They help connect participants to employers. The Duluth at Work program uses benchmarks to reward agencies whose participants remain employed for 2 years, gain a 25% increase in wages, and are employed full time. These 3 goals help the participant gain the necessary experience to obtain a higher paying job in the future.

The City of Duluth also supports several food access programs through its CDBG program. The Duluth Hunger project is a group consisting of the Salvation Army, Damiano Center, and Churches United in Ministry. These three organizations work to provide meals and operate food shelves. They coordinate with Second Harvest food pantry. Meals are served in a manner to prevent overlap and in geographically dispersed areas in order to provide greater access. There is also a medical food shelf for those individuals with dietary restrictions.

Access to health care is something that is evolving in Duluth. The CDBG program has funded for many years the Lake Superior Community Health Center. This facility has both doctors and dentists. The affordable health care act has helped many low income residents obtain access to health care. Lake Superior Community Health Center and several other partners set up navigators to help low income individuals and households gain access to no cost/ low cost health insurance. Other health agencies that help connect individuals to health care include St. Louis County's Health and Human Services department, Lutheran Social Services, and Community Action Duluth. Furthermore, mental health services are provided by the Human Development Center and Saint Louis County Health and Human Services. Case Management and help with benefits applications, crisis assistance, day treatment, employability, and medication monitor are a few of the services that are available. The Minnesota Assistance Council for Veterans provides services for veterans. It helps veterans to stabilized living through rent/mortgage assistance and temporary housing, sustainable, living wage employment

through training and placement, referral and resolution to civil legal issues, life skills education, money management skills training and financial plan development.

**Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs**

One of the objectives in the SLC Continuum of Care Plan is to increase progress towards ending chronic homelessness. The Plan established a baseline in 2013 of 399 permanent supports beds not dedicated for use by the chronically homeless, but available for occupancy (all of SLC), and a total of 114 beds dedicated for the chronically homeless. With a focus on ending chronic homelessness over the next few years, homeless PSH providers agreed to prioritize 95% of the PSH beds not dedicated for use by chronically homeless, but available through annual turnover, for use by chronically homeless individuals and families. Strategies include

- Coordinate Assessment process that streamlines access to mainstream services

- Collaboration with the Affordable Housing Coalition to address housing needs and creation of new resources and units.

- Increase capacity of COCs to coordinate mainstream services and address gaps in housing.

- Tracking of data and evaluation of service delivery to insure services are meeting efficiency benchmarks.

## SP-45 Goals Summary – 91.215(a)(4)

### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Rental Housing	2015	2019	Affordable Housing Public Housing Non-Homeless Special Needs		Affordable Rental Housing	CDBG: \$1,668,550 HOME: \$554,482	Rental units constructed: 300 Household Housing Unit  Rental units rehabilitated: 250 Household Housing Unit
2	Tenant Based Rental Assistance	2015	2019	Homeless		Homelessness	HOME: \$952,843	Tenant-based rental assistance / Rapid Rehousing: 350 Households Assisted
3	Affordable Home Owner Housing	2015	2019	Affordable Housing		Affordable Owner Occupied Housing		Homeowner Housing Added: 50 Household Housing Unit  Homeowner Housing Rehabilitated: 725 Household Housing Unit
4	Community Public Facilities	2015	2019	Homeless Non-Homeless Special Needs Non-Housing Community Development		Community Structural Public Facilities	CDBG: \$1,668,551	Other: 7 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Community Development Infrastructure	2015	2019	Non-Housing Community Development		Community Non-Structural Public Facilities	CDBG: \$222,473	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 100 Households Assisted  Other: 1 Other
6	Public Services	2015	2019	Homeless Non-Housing Community Development		Public Services	CDBG: \$1,668,551	Public service activities for Low/Moderate Income Housing Benefit: 104670 Households Assisted
7	Economic Development	2015	2019	Non-Housing Community Development		Economic Development	CDBG: \$1,668,551	Jobs created/retained: 163 Jobs  Businesses assisted: 40 Businesses Assisted
8	Neighborhood Revitalization	2015	2019	Non-Housing Community Development		Community Non-Structural Public Facilities	CDBG: \$333,710	Buildings Demolished: 10 Buildings
9	Homelessness	2015	2019	Homeless		Special Needs Housing Homelessness	ESG: \$850,315	Homeless Person Overnight Shelter: 6000 Persons Assisted  Homelessness Prevention: 300 Persons Assisted

**Table 54 – Goals Summary**

## Goal Descriptions

1	<b>Goal Name</b>	Affordable Rental Housing
	<b>Goal Description</b>	<ul style="list-style-type: none"> <li>• Assist households to secure housing through affordable rental development.</li> <li>• Improve energy efficiency of rental units</li> <li>• Rehab multifamily units to meet Health Homes Standards</li> </ul>
2	<b>Goal Name</b>	Tenant Based Rental Assistance
	<b>Goal Description</b>	Assist homeless families and singles identified through a Coordinated Access Process
3	<b>Goal Name</b>	Affordable Home Owner Housing
	<b>Goal Description</b>	<ul style="list-style-type: none"> <li>• Assist families to become homeowners by addressing value and/or affordability gaps and by increasing the supply of quality affordable single housing</li> <li>• Improve energy efficiency of single family housing units</li> <li>• Rehab single family units to meet Health Home Standards</li> </ul>
4	<b>Goal Name</b>	Community Public Facilities
	<b>Goal Description</b>	Assist neighborhood facilities that provide vital services with accessibility improvements and/or repairs due to flood damage. These facilities include Homeless Facilities, Neighborhood Facilities, and Parking Facilities. NOTE: The Goal Indicator is for Facilities. The projects will be to service LMI households.
5	<b>Goal Name</b>	Community Development Infrastructure
	<b>Goal Description</b>	<ul style="list-style-type: none"> <li>• Assist LMI homeowners with street assessments</li> <li>• Improve sidewalk accessibility</li> </ul>

6	<b>Goal Name</b>	Public Services
	<b>Goal Description</b>	<ul style="list-style-type: none"> <li>• Support programs that fulfill basic needs (food and shelter) for people who are low-income and/or homeless</li> <li>• Support health and dental care services for Duluth residents who are uninsured</li> <li>• Support programs that help abused and neglected youth who are homeless or at risk of homelessness become stably housed.</li> <li>• Provide tenant/landlord mediation services to prevent evictions</li> <li>• Support Permanent Housing</li> </ul>
7	<b>Goal Name</b>	Economic Development
	<b>Goal Description</b>	<ul style="list-style-type: none"> <li>• Support Duluth at Work initiatives that assist participants to access living wage jobs through local businesses</li> <li>• Support Duluth at Work initiatives that help low-income people gain work skills, jobs and employment history that results in increased income and overall stability</li> <li>• Provide training and technical assistance to business to increase assets and create jobs</li> </ul>
8	<b>Goal Name</b>	Neighborhood Revitalization
	<b>Goal Description</b>	<ul style="list-style-type: none"> <li>• Address vacant, substandard properties that may or may not be suitable for rehab</li> <li>• Acquire blighted properties and lots for demolition and redevelopment activities</li> </ul>

9	<b>Goal Name</b>	Homelessness
	<b>Goal Description</b>	<ul style="list-style-type: none"> <li>• Support the implementation and operation of coordinated access entry sites for families, youth and singles</li> <li>• Support housing stabilization initiatives for homeless populations with special needs</li> <li>• Support the operation of emergency shelter facilities that help homeless families, youth, and individuals rapidly access housing and become stably housed</li> <li>• Provide shelter and stabilization services for women and children experiencing domestic violence and/or sex trafficking</li> <li>• Create additional permanent supportive housing units chronically homeless or persons with special needs</li> <li>• Support creation or renovation of shelter facility for homeless youth</li> </ul>

**Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)**

As defined by the HOME regulations it is estimated that 250 to 350 extremely low-income families will be assted, 50 to 150 low-income families, and 75 to 100 moderate families will be assisted, depending on the grant amounts.



## **SP-50 Public Housing Accessibility and Involvement – 91.215(c)**

### **Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)**

The HRA completed a HUD required Section 504 needs assessment several years ago as required by 24 CFR 8.25 and is in compliance, having a sufficient number of handicapped accessible units within its public housing inventory to meet the needs of existing residents and eligible applicants on its waiting list.

### **Activities to Increase Resident Involvements**

Continue communication through tenant meetings and newsletters.

### **Is the public housing agency designated as troubled under 24 CFR part 902?**

No

### **Plan to remove the ‘troubled’ designation**

NA

## **SP-55 Barriers to affordable housing – 91.215(h)**

### **Barriers to Affordable Housing**

- Lack of annual budgeted funding to demolish or repair buildings condemned for demolition or human habitation, allowing blight to persist in LMI neighborhoods.
- The City requires assessments placed on vacant lots where structures have been demolished be paid by any new owner, rendering otherwise buildable infill sites financially infeasible for redevelopment.
- “One-for-one” replacement requirements when structures are demolished on 25 front foot unbuildable lots.
- Sewer utility fees and other utility hook-up fees increase the cost of construction of affordable single-family homes.
- Limited Minnesota Housing funding for rehab of aging single-family structures occupied by LMI households, which leads to higher maintenance costs.
- Lack of a policy to require improvements to foreclosed properties in LMI neighborhoods that are on the vacant property register.
- Inflexible policies related to Comfort System’s energy improvement programs that limit access to loans by LMI households, including refusal to subordinate when first mortgages are refinanced.
- Minnesota State Historic Preservation Office policies that create additional rehab costs, such as wooden windows and doors repaired rather than replaced by new historically designed materials.
- Outdated historic property references that trigger SHPO review of affordable housing rehab projects on buildings not eligible for listing, which increases costs and delays.
- Lack of direction from City Administration to enforce existing rental license program.
- No education requirement for owners and/or managers to secure a rental license.
- Lack of direction from City Administration to enforce housing maintenance code.
- Lack of energy standards for existing housing stock that result in higher costs for LMI households living in older homes that are energy inefficient.
- Housing & Redevelopment Authority policies that prevent LMI households with poor rental histories or criminal backgrounds from securing assisted housing.

- HUD HOME Program after-rehab value limit based on 95% of median sales price from the extensive Duluth/Superior metropolitan statistical area, and the value limit not adjusted for homes with three or more bedrooms occupied by larger families.
- HUD HOME Program ruling that disallows use of local exception rents in favor of fair market rents in HOME assisted affordable rental housing.

### **Strategy to Remove or Ameliorate the Barriers to Affordable Housing**

- Support selected demolition of blighted properties in LMI neighborhoods. If funded by Community Development, requirement will be to leave a “clean” site for redevelopment.
  - Community Development supported rehab projects will address all needed repairs and updates, including housing code, energy efficiency, and healthy home deficiencies.
  - Implement acquisition/rehab/resale activities to address vacant foreclosed properties in LMI neighborhoods.
  - Review annual Housing Report sales data to determine if a local study of median sales price would increase after-rehab value limit.
  - Require rehab programs receiving Community Development funding to increase energy efficiency in existing homes by 20%, and require funded new construction to meet Energy Star standards.
  - Provide funding for tenant-based rental assistance to help the “hard-to-house” and homeless population to secure adequate housing.
  - Modify policies to eliminate the “re-instatement” of special assessments on tax forfeit lots that have the potential for redevelopment.
  - Support additional historic surveys in the central and western areas of Duluth.
  - Support the establishment of inclusionary affordable housing in zoning policies.
  - Encourage Comfort Systems to revise their loan programs to be more “user friendly” and to coordinate with the Housing Resource Connection.
  - Integrate rental license building inspectors into the “One Stop Shop”.

- Work with St. Louis County and the Minnesota Department of Revenue to revise policies to encourage redevelopment of tax forfeit land.

- Strengthen rental license program to include such requirements as common applications and leases, affordable application and damage fees, and timely and consistent enforcement of building standards.

- Reduce property tax valuations to reflect affordable housing restrictions that would prohibit owners from selling at full market rate.

## **SP-60 Homelessness Strategy – 91.215(d)**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The City of Duluth has a strong homeless response system and is working closely with St. Louis County and homelessness service provider agencies to strengthen system access and service delivery through implementation of the goals and outcomes outlined in the HEARTH Act and under the new Emergency Solutions Grant and Continuum of Care regulations. Components of the Homeless Response System in Duluth include:

#### **Outreach**

Described in section MA-19, outreach activities in Duluth are coordinated through a strong network of homeless shelter and service provider agencies (CHUM, Life House, LSS and HDC) in partnership with the Duluth Police and St. Louis County Health and Human Services. Street outreach activities are conducted daily and most evenings and extend beyond the city limits of Duluth. CHUM and MACV also conduct outreach in the hospitals and jails/prisons.

In addition to the day-to-day outreach, Duluth also conducts an annual Project Homeless Connect Event for homeless persons and MACV organizes an annual Stand Down event for homeless veterans. Continuum of Care homeless housing and service provider partner agencies also conduct an annual Homeless Summit annually.

### **Addressing the emergency and transitional housing needs of homeless persons**

#### **Emergency Shelter**

The shelter system in Duluth is comprised of three emergency shelters. The CHUM Shelter serves singles through their congregate facility and families at their off-site facilities. Many of the persons that access services at CHUM are identified as ‘high barriered’ and the ‘hardest to house’. In addition to the 44 congregate beds, CHUM provide overflow mats if the beds are full. In some circumstances, CHUM works with their Churches United in Ministry partners to provide families with shelter at a nearby church when their family units are full. In 2015, CHUM will expand their number of family units to 6, which will be part of the O’Neil Apartment Permanent Supportive Housing Project.

Safe Haven Shelter and the American Indian Community Housing Organization both provide shelter and services to single women and women with children who are fleeing domestic violence. Safety is their first priority for the women (and children) who enter their shelters. Participants have access to a wide range of supportive services, including food, clothing, transportation and legal assistance, access to mental health assistance, case management and children's advocacy. In addition, AICHO provides culturally specific programming for Native American women (and their children).

### **Union Gospel Mission**

Union Gospel Mission is primarily a soup kitchen where people can access hot meals each day. The 11 SRO units above the soup kitchen facility are targeted for chronic homeless single men.

### **Transitional Housing**

Five agencies in Duluth provide transitional housing and supportive services to homeless persons. They are the American Indian Community Housing Organization who provides transitional housing and culturally focused support services for primarily (but not limited to) Native American Women and Women-headed families, Center City Housing who provides transitional housing and supportive services to single women and families, the Salvation Army who provides transitional housing and supportive services to one and two-parent families and Life House and Lutheran Social Services, both provide transitional housing and supportive services to homeless youth (ages 16-23). Minnesota Assistance Council for Veterans provides transitional housing and services to homeless veterans. Approximately, 1,800 homeless persons are assisted through the Duluth shelter system annually.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.**

Duluth has slowly been building its supply of Permanent Supportive Housing (PSH) to serve persons with disabilities and the chronically homeless. Center City Housing Organization operates the San Marco and Memorial Park apartment facilities that house single men and women, Alicia's Place for single women, and Sheila's Place that serves families. The American Indian Community Housing Organization operates

the Gimaajii apartments for families, primarily for (but not limited to) Native Americans. Minnesota Assistance Council for Veterans operates the Duluth Vets Place for single veterans.

The Housing Authority of Duluth provides Shelter + Care vouchers. Almost half – 42% (46/108) of the PSH units in Duluth are targeted for chronically homeless persons (does not include units under development).

### **Rapid Re-housing**

CHUM Shelter, Safe Haven Shelter, AICHO, Salvation Army and Life House all participate in Rapid Re-housing programming. Funding for rapid re-housing activities is provided through the Emergency Solutions Grant (ESG) Program, the Continuum of Care Program and through the state's Family Homeless Prevention and Assistance Program (FHPAP). Prioritization protocols were established for targeting families and households that are the most appropriate for this type of assistance. These are the agencies that will be the entry points for Coordinated Access and Assessment in Duluth and once that system is fully functioning, rapid re-housing activities will be coordinated through the CAA system. Rapid Re-housing assistance includes short and medium-term rental assistance, rental arrears, deposit, utility payments and utility arrears, and application fees, moving assistance, case management and connection to mainstream resources.

### **Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs**

Salvation Army, Life House, AICHO and Legal Aid Services of Northeast Minnesota provide prevention assistance in the City of Duluth. Funding for prevention assistance is provided through the ESG and FHPAP programs. Legal Aid activities are limited to mediation and legal issues, whereas the others also provide rental assistance, rental arrears, utility payments and utility arrears, moving assistance, case management and connection to mainstream resources. Once the Coordinated Access and Assessment system is fully functioning in Duluth, prevention activities will be coordinated that system.

In 2008, a Discharge Plan that was approved and adopted, outlines the protocols and transition process steps for discharging from institutions. A standardized assessment tool was developed and is being used by discharging entities in Duluth and throughout St. Louis County upon client admission to identify those at risk of homelessness, specific services to be offered to all clients and additional services offered to at-risk clients. Participating stakeholders in the City of Duluth include Essentia Health System, St. Luke's

Hospital, the Center for Drug and Alcohol Treatment St. Louis County Corrections, St. Louis Health and Human Service and the primary shelter in Duluth, CHUM Shelter. CHUM staff are the main contacts in Duluth; they keep in contact with the other entities and are notified when someone is going to be discharged who is choosing to be discharged to CHUM. CHUM staff will work with the individual to locate housing prior to discharge. SOAR Career Solutions, through their Community Offender Re-Entry Program, offers specialized assistance to men exiting prison who were incarcerated for sex crimes. Program staff assist ex-offenders in their transition from incarceration to the community through support, employment services, mentoring, housing search and assistance and extended case management.

## **Continuum of Care Objectives**

### **Continuum of Care Objectives**

The St. Louis County SLC Continuum of Care Plan has five primary objectives; they are:

1. Increase progress towards ending chronic homelessness
  - Allocating funds for additional chronic beds
  - Set a goal to prioritize 95% of the PSH beds not dedicated for use by chronically homeless, but available through annual turnover, for use by the chronically homeless.
2. Increase housing stability
  - Implementation of the Coordinated Access and Assessment
  - Best practices for case management and assessment
  - Agencies adopt and implement Housing First model
  - Transitional Housing transition plan (except youth, DV and CD).
3. Increased income for program participants
  - Adopt best practices for increasing non-employment income
  - Make sure eligible participants are connected to Supplemental Security Income/ Social Security Disability Benefits
4. Increase the number of people accessing mainstream benefits
  - Agencies will participate in training sessions on Mainstream Benefits
  - Enrollment and outreach activities are being implemented to connect eligible households to appropriate Affordable Care Act options.
5. Expand Rapid Re-housing assistance as a method to reduce family homelessness



- Allocate additional resources for Rapid Re-housing
- Maximize existing Rapid Rehousing resources using 'least touch' model
- Align CoC rapid re-housing assistance with Emergency Solutions Grant, Supportive Services for Veteran Families, and Family Homeless Prevention Assistance Program
- Rapid Re-housing programs and develop best practice protocols to be implemented through the Coordinated Access System.

## **SP-65 Lead based paint Hazards – 91.215(i)**

### **Actions to address LBP hazards and increase access to housing without LBP hazards**

The City, in partnership with the Duluth HRA, applied for and secured \$1,144,684 in 2010 HUD Lead-Based Paint Hazard Control Grant Program funds. The term of this initial grant will end in February, 2014. The goal of 70 units has been reached, but funds remaining in the grant necessitated an extension of the term by one year. A new Lead-Based Paint application was submitted to HUD in January, 2013, and was awarded \$2,418,395, that will allow the continuation of this work until 2016.

### **How are the actions listed above related to the extent of lead poisoning and hazards?**

The risks related to lead poisoning and hazards are being reduced.

### **How are the actions listed above integrated into housing policies and procedures?**

City of Duluth policy requires all rental and homeowner rehabilitation programs and projects receiving federally funded assistance to coordinate with the Duluth HRA for lead assessment, testing and clearance services. Given the age of Duluth's housing stock that predicts 68% contains lead-based paint, the concentration of low- and moderate-income households in less expensive older units, and the past experience of agencies implementing rehab programs, it is highly probable that all, or nearly all, rehabbed units will contain potential lead hazards. The Duluth HRA maintains a Lead Safe Housing registry of past units that have been made lead safe. To increase access to this registry by the general public, the HRA has made their database available on the HRA website.

## **SP-70 Anti-Poverty Strategy – 91.215(j)**

### **Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families**

The overarching goal of this anti-poverty strategy is to reduce the number of Duluth's families and individuals currently living in poverty. Any goal of reducing poverty must look beyond the effects (not being able to afford housing, clothing, child care, adequate nutrition, among other things) to the causes, the root of poverty, and provide resources to empower people to achieve self-sufficiency.

The Community Development Division has worked with the City's primary TANF agency, the Workforce Development Division, which includes the "One-stop" Workforce Center, to develop a strategy that focuses on coordinating both an affordable housing and employment training approach which reduces barriers to achieving economic self-sufficiency. The following policies form the basis of the funding evaluation process that will be utilized by the City for determining how the annual investment of Community Development resources will assist to implement that strategy:

**Policy #1:** Provide occupational training programs coupled with career development and job placement in partnership with the City's Workforce Development Division and the Financial Opportunity Center at Community Action Duluth to enable people to obtain employment.

**Policy #2:** Assist families with removing barriers to obtaining employment through long term or sustainable solutions that reduce the cost of essentials or burdens to household incomes.

**Policy #3:** Focus on efforts to reduce the costs on household's budgets through energy efficiency programs that lower utilities and/or programs that assist with building assets of families through planned savings programs or assistance with homeownership opportunities.

**Policy #4:** Increase the amount of affordable housing units within the City that have long-term affordability restrictions (greater than 30 years), to maintain housing for low-to-moderate-income residents within our community.

An individual household's situation and why they are in poverty is complicated. It is much more than a simple calculation of annual household income. The City and other agencies have developed sources of information that examine the details of other life issues that, combined with personal interviews, have helped us to better understand many of the root causes of poverty.

There is very well documented evidence of what accounts for family distress as a result of insufficient income to afford basic human needs. Some of the most commonly described root causes of poverty that the city will address are:

- Little or no education
- Insufficient employment skills, including employment soft skills
- Housing priced beyond a family's means

- Lack of adequate health care
- Mental health issues that impact employment opportunity
- Assist tenants with access to rental housing and tenant/landlord mediation

These and other life situations can and do combine to severely limit a family's ability to secure and maintain permanent employment that yields a living wage. Some of these factors can be out of the local agency's control, but many of the programs funded through Duluth At Work are focused on working with families to address these factors and eliminate barriers.

**How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan**

Policy #4 :Increase the amount of affordable housing units within the City that have long-term affordability restrictions (greater than 30 years), to maintain housing for low-to-moderate-income residents within our community directly relates to the affordable housing plan.

## **SP-80 Monitoring – 91.230**

**Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

The Community Development Division and City Auditor's Office conducts an annual risk assessment. This risk assessment of the subrecipients is based upon material weaknesses cited in the audit and performance in submitting appropriate documentation of expenditures, demographic information and other contract requirements and is completed on an annual basis. A high-risk subrecipient has material weaknesses and/or significant deficiencies in their audit relating to the above-mentioned federal programs, lacks sufficient accounting policies and procedures to safeguard federal assets, and/or submits inaccurate payment request documentation and/or late demographic reports. On-site monitoring shall consist of financial monitoring and programmatic compliance. Further information can be found in the Community Development Monitoring manual.

The Community Development Committee shall hold a CAPER (Consolidated Annual Performance Evaluation Report) Public Hearing for the purpose of reviewing activity accomplishments for the previous year within 90 days after the completion of the City's Community Development Program year. The records presented at this hearing are available during normal business hours for public inspection in the Community Development Office. A copy of the City of Duluth's Monitoring Process is on the City's website.