

# The 2013 Consolidated Annual Performance and Evaluation Report (CAPER)

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June 5, 2014



Prepared for  
United States Department of Housing and Urban Development

by  
Community Development Division, City of Duluth, Minnesota

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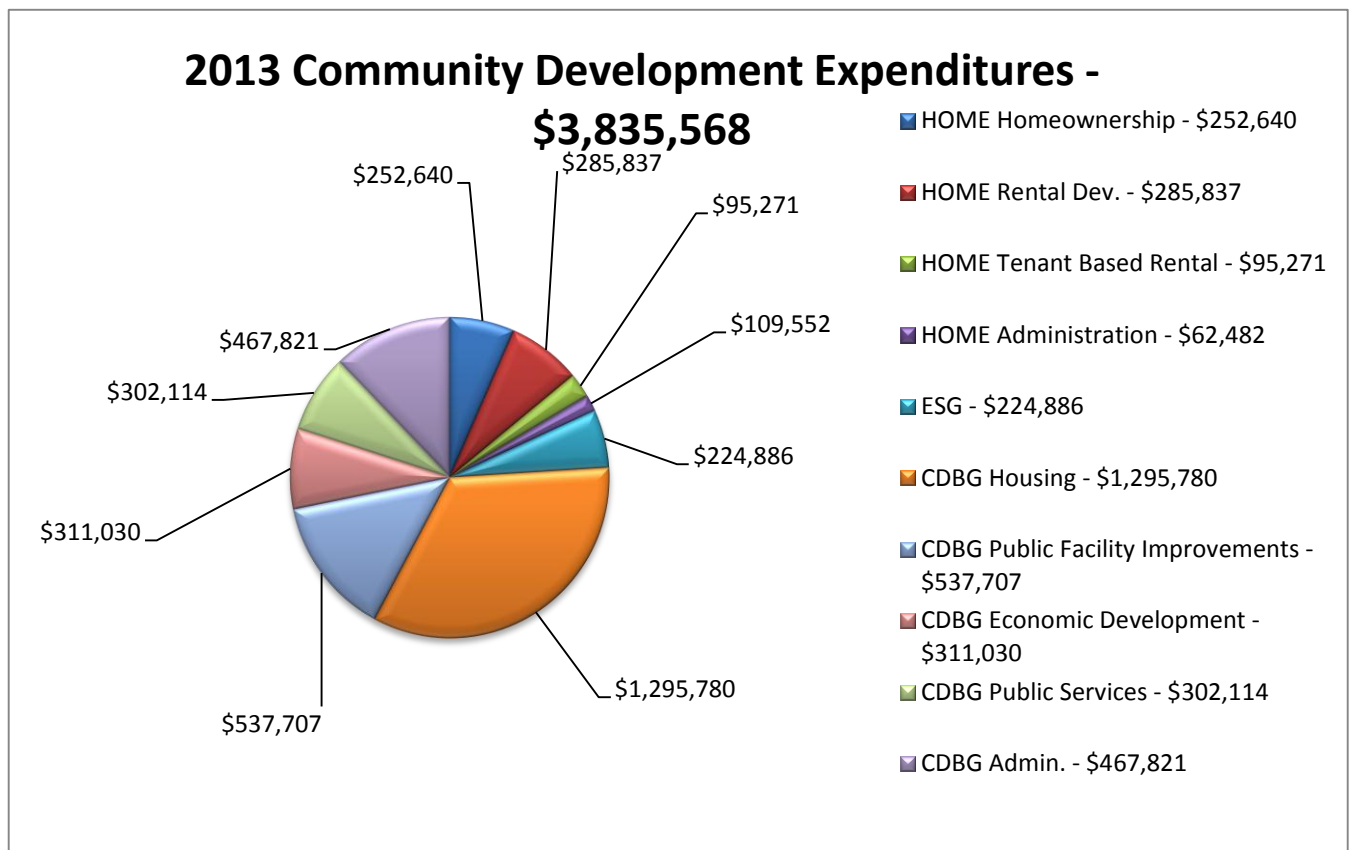
## Executive Summary

The purpose of this report, the Consolidated Annual Performance and Evaluation Report (CAPER), is to outline 2013 accomplishments in community development and housing. This work was undertaken in large part through three major funding programs provided by the U.S. Department of Housing and Urban Development (HUD):

- \* Community Development Block Grant (CDBG) Program
- \* HOME Investment Partnerships Program (HOME)
- \* Emergency Solutions Grant Program (ESGP)

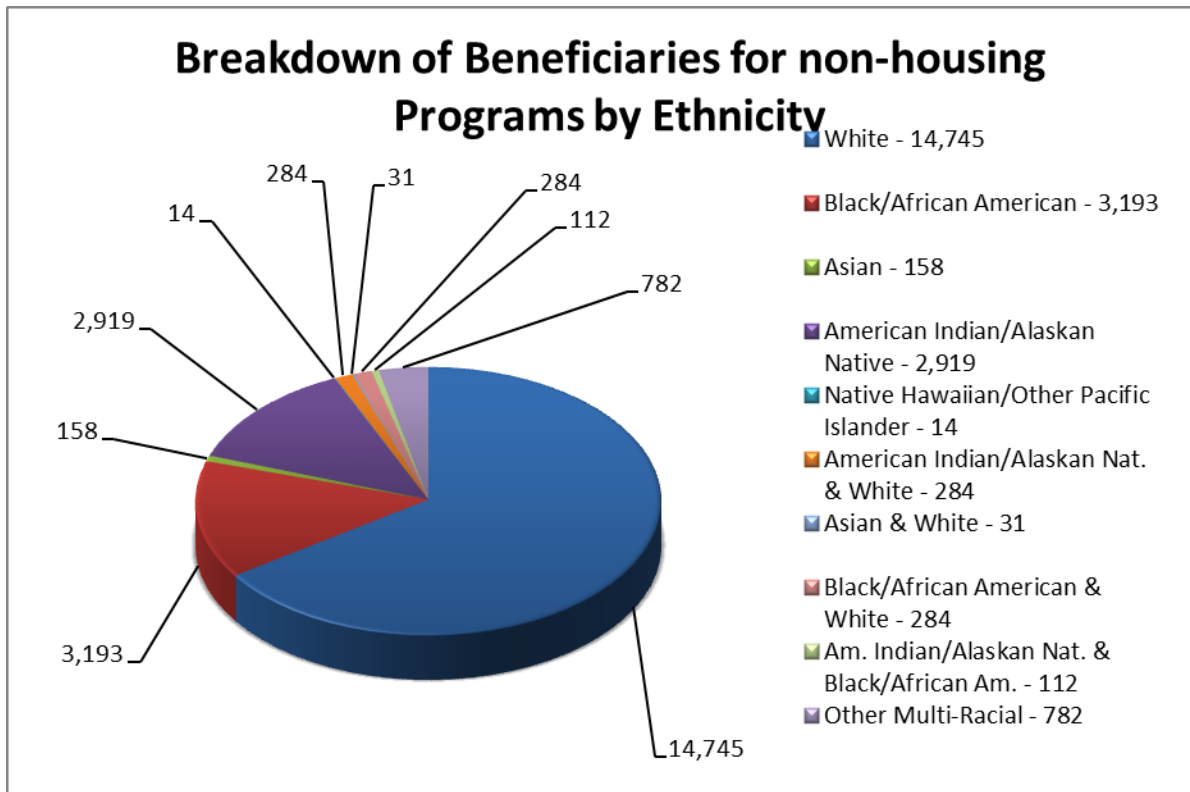
This report is organized according to these three funding sources, including information on fair housing and equal opportunity initiatives. A summary of other resources leveraged by these community development resources and citizen comments concludes the report. These comments were submitted to the City during the 15-day public comment period from June 13th to June 27th.

The following pie chart is a summary of the year's community development expenditures by program and category:



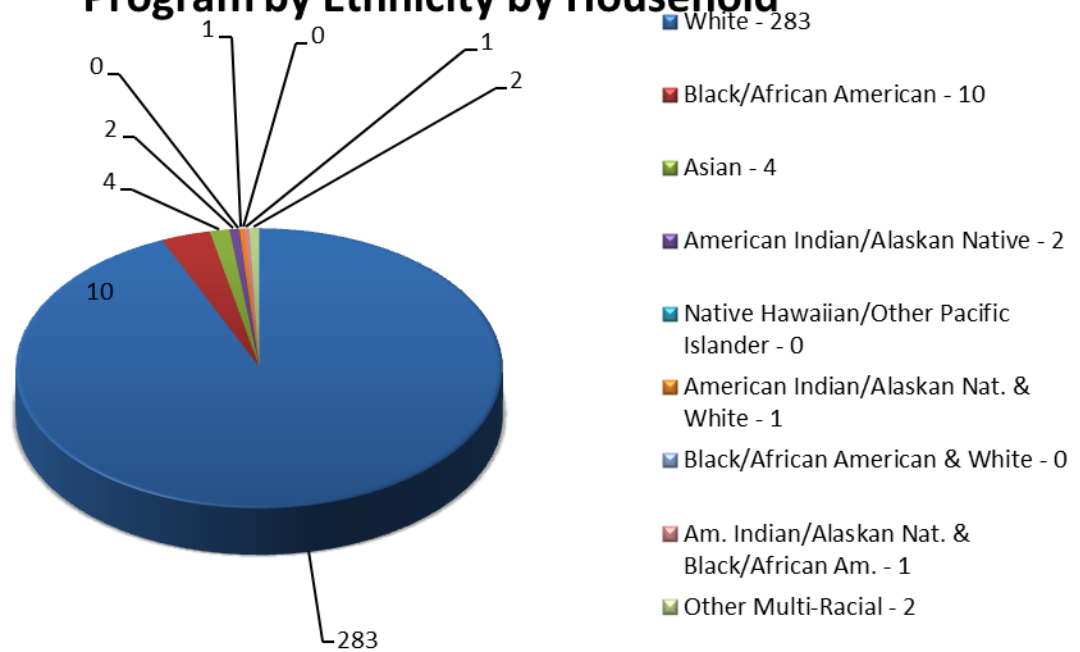
Demonstrating the impact of these community development resources on the lives of persons with low and moderate incomes is a main objective of this evaluation report. Thus, it is the City's objective that this report present to Duluth citizens and HUD a clear, complete statement of activity, as well as comply with federal statutory regulations.

The below is a chart of beneficiaries by ethnicity:



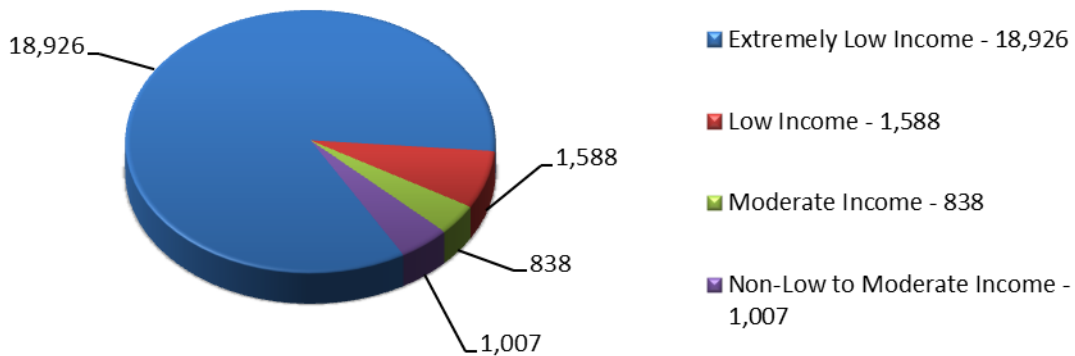
\*Of the total persons 22,522 served, 453 were of Hispanic Ethnicity

## Breakdown of Household Beneficiaries of CD Program by Ethnicity by Household



The following is a breakdown of the income of the beneficiary population in comparison to categories of "Extremely Low Income" (less than 30% of the area median income), "Low Income" (more than 30% but less than 50% of the area median income), "Moderate Income" (more than 50% but less than 80% of the area median income) and "Non-Low to Moderate Income" (higher than 80% of the area median income).

## Breakdown of 22,359 CD Recipients by Income



The subsequent sections of the 2013 performance report provide an evaluation of activities measured against the goals and priorities of the City of Duluth's 2013 Action Plan. This Action Plan is an annual investment plan - a component of the 2010-2014 Consolidated Plan for Housing and Community Development. The evaluation of activities in this report serves as a tool for bench marking the impact of the five-year Consolidated Plan.

The five-year Consolidated Plan contains the principal goals and strategies against which annual progress is measured. Reporting on 2013 activities - the fourth year of the five-year plan period - provides a sense of the City of Duluth's progress toward achieving its community development and housing goals.

Reaching the goals and meeting the needs of our community would not be possible without the commitment of the City's community development and housing partners, and to them we offer our gratitude. Additional financial information from the HUD computer system is available for review in the City of Duluth's Community Development Division.

For additional information or to submit comments on this 2013 report, please contact:

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### Table 3A Summary of Specific Annual Objectives

Table 3A Summary of Specific Annual Objectives																							
IDIS Code	Housing Objective Priority Need	Funding Source	Performance Indicator	2010 Goal	2010 Actual	2010 Source Amount	2011 Goal	2011 Actual	2011 Source Amount	2012 Goal	2012 Actual	2012 Source Amount	2013 Goal	2013 Actual	2013 Source Amount	2014 Goal	2014 Actual	2014 Source Amount	Percent of 5yr Goal	5 Year Goal	5 Year Actual	% Achieved of 5 Yr actual	Outcome/Objective
<b>05S</b>	<b>Rental Housing Subsidies</b>		<b>Households</b>	<b>8</b>	<b>8</b>		<b>17</b>	<b>21</b>		<b>20</b>	<b>27</b>		<b>20</b>	<b>35</b>		<b>20</b>		<b>\$ 123,000</b>	<b>170%</b>	<b>50</b>	<b>91</b>	<b>182%</b>	
	Tenant Based Rental Assistance - HRA	HOME	Households	8	8	\$ 37,000																	DH-1
	Tenant Based Rental Assistance - HRA	HOME	Households				17	21	\$ 104,500														DH-1
	Tenant Based Rental Assistance - HRA	HOME	Households							20	27	\$ 125,000											DH-1
	Tenant Based Rental Assistance - HRA	HOME	Households										20	35	\$ 125,000								DH-1
	Tenant Based Rental Assistance - HRA	HOME	Households													20		\$ 123,000					DH-1
<b>12</b>	<b>New Construction</b>		<b>Housing Units</b>										<b>44</b>	<b>44</b>					<b>63%</b>	<b>70</b>	<b>44</b>	<b>63%</b>	
	Hillside Apartments - One Roof Community Hsg	HOME	Housing Units										44	44				\$ 250,000					DH-1
<b>13</b>	<b>Direct Homeownership Assistance</b>		<b>Households</b>	<b>13</b>	<b>1</b>		<b>12</b>	<b>5</b>		<b>11</b>	<b>1</b>		<b>0</b>	<b>7</b>					<b>51%</b>	<b>70</b>	<b>14</b>	<b>20%</b>	
	FAIM IDA's & Down Payment Asst.- Comm. Action	CDBG	Households	13	1	\$ 66,654		3															DH-1
	FAIM IDA's & Down Payment Asst.- Comm. Action	CDBG	Households				12	2	\$ 60,000														DH-1
	FAIM IDA's & Down Payment Asst.- Comm. Action	CDBG	Households							11	0	\$ 55,000											DH-1
<b>14A</b>	<b>Single Unit Residential Rehab.</b>		<b>Housing Units</b>	<b>40</b>	<b>18</b>		<b>9</b>	<b>38</b>		<b>13</b>	<b>75</b>		<b>19</b>	<b>17</b>					<b>23%</b>	<b>350</b>	<b>148</b>	<b>42%</b>	
	Duluth Property Rehab. Program - HRA	CDBG	Housing Units	40	7	\$ 250,000		24			20												DH-2
	Duluth Property Rehab. Program - HRA	HOME	Housing Units				9	0	\$ 180,000		11												DH-2
	Duluth Property Rehab. Program - HRA	HOME	Housing Units							13	0	\$ 316,839											DH-2
	Duluth Property Rehab. Program - HRA	HOME	Housing Units										4	0	\$ 79,619								DH-2
	Housing Resource Connection	CDBG/ HOME	Housing Units													55		\$ 361,811					DH-2
	Duluth Lateral Lines RLF - HRA	CDBG	Housing Units					14			44		15	10	\$ 150,089								DH-2
<b>14B</b>	<b>Multi-Unit Residential Rehab.</b>		<b>Housing Units</b>	<b>76</b>	<b>0</b>		<b>60</b>	<b>41</b>		<b>80</b>			<b>0</b>	<b>13</b>					<b>54%</b>	<b>250</b>	<b>134</b>	<b>54%</b>	
	Duluth Property Rehab. Program - HRA	CDBG	Housing Units	55	0	\$ 342,500		41			36												DH-2
	Duluth Property Rehab. Program - HRA	CDBG	Housing Units				60	0	\$ 219,000						13								DH-2
	Upper Transitional Rehab - Center City Housing	HOME	Housing Units	12		\$ 255,868					12												DH-2
	Lower Transitional Rehab - Center City Housing	HOME	Housing Units	9		\$ 99,240					9												DH-2
	Gimaajii Mino Bimaadziyaan - AICHO	HOME	Housing Units								11												DH-2
	Duluth Property Rehab. Program - HRA (Cancelled)	CDBG	Housing Units																				DH-2
	Housing Resource Connection	CDBG	Housing Units													55		\$ 30,000					DH-2
<b>14F</b>	<b>Energy Efficiency Improvements</b>		<b>Housing Units</b>	<b>147</b>	<b>62</b>		<b>87</b>	<b>85</b>		<b>44</b>	<b>51</b>		<b>72</b>	<b>90</b>					<b>64%</b>	<b>550</b>	<b>288</b>	<b>52%</b>	
	Duluth Weatherization Program - AEOA	CDBG	Housing Units	55	62	\$ 208,376	30	36	\$ 180,000	44	36	\$ 171,320											DH-2
	Duluth Energy Efficiency Program - Common Ground	CDBG	Housing Units	92	0	\$ 187,200		49															DH-2
	Duluth Energy Efficiency Program - Equilibrium 3	CDBG	Housing Units				57	0	\$ 116,500			15											DH-2
	Coordinated Duluth Weatherization Prog- AEOA/EVCO	CDBG	Housing Units										72	67	\$ 330,407								DH-2
<b>14G</b>	<b>Acquisition for Rehabilitation</b>		<b>Housing Units</b>	<b>11</b>	<b>0</b>		<b>40</b>	<b>6</b>		<b>5</b>	<b>10</b>		<b>55</b>	<b>11</b>					<b>101%</b>	<b>110</b>	<b>27</b>	<b>25%</b>	
	Rehabilitation & Resale - One Roof	HOME	Housing Units	11	0	\$ 450,000		6			7												DH-2
	Multi-Family Development - One Roof Hillside	CDBG/ HOME	Housing Units				32		\$ 200,000			22 Acquired	44	0	\$ 244,000								DH-2
	Rehabilitation & Resale - One Roof	HOME	Housing Units				8	0	\$ 327,467			3			5								DH-2
	Rehabilitation & Resale - One Roof	CDBG	Housing Units							5	0	\$ 200,000			4								DH-2
	Rehabilitation & Resale - HRC	CDBG/ HOME	Housing Units										11	2	\$ 375,000	8		\$ 240,000					DH-2
<b>14H</b>	<b>Rehabilitation Administration</b>		<b>Organization</b>	<b>1</b>	<b>1</b>		<b>1</b>	<b>1</b>		<b>1</b>	<b>1</b>		<b>1</b>	<b>1</b>					<b>80%</b>	<b>5</b>	<b>4</b>	<b>80%</b>	
	Duluth Property Rehab. Program - HRA	CDBG	Organization	1	1	\$ 461,000	1	1	\$ 436,253	1	1	\$ 325,659											DH-2
	Housing Resource Connection	CDBG	Organization										1	1	\$ 325,659	1		\$ 535,300					DH-2
<b>21I</b>	<b>CHDO Pre-development</b>		<b>Organization</b>	<b>2</b>	<b>2</b>		<b>2</b>	<b>2</b>		<b>2</b>	<b>2</b>		<b>1</b>	<b>1</b>					<b>80%</b>	<b>10</b>	<b>7</b>	<b>70%</b>	
	Operations- One Roof	HOME	Organization	1	1	\$ 22,000	1	1	\$ 17,999	1	1	\$ 12,890				1		\$ 20,000					DH-2
	Operations- Center City Housing	HOME	Organization	1	1	\$ 15,000	1	1	\$ 17,999	1	1	\$ 12,890				1		\$ 13,000					DH-2
	<b>Total of Housing Objective</b>					<b>\$ 2,394,838</b>			<b>\$ 1,859,718</b>			<b>\$ 1,219,598</b>			<b>\$ 1,892,774</b>			<b>\$ 1,453,111</b>					



IDIS Code	Economic Development Objective Priority Need	Funding Source	Performance Indicator	2010 Goal	2010 Actual	2010 Source Amount	2011 Goal	2011 Actual	2011 Source Amount	2012 Goal	2012 Actual	2012 Source Amount	2013 Goal	2013 Actual	2013 Source Amount	2014 Goal	2014 Actual	2014 Source Amount	Percent of 5yr Goal	5 Year Goal	5 Year Actual	% Achieved of 5 Yr actual	Outcome/Objective
<b>18A</b>	<b>ED Direct Financial Assistance</b>		<b>Jobs</b>	<b>40</b>	<b>41</b>		<b>57</b>	<b>54</b>		<b>35</b>	<b>29</b>		<b>33</b>			<b>50</b>		<b>\$ 272,000</b>	<b>108%</b>	<b>200</b>	<b>124</b>	<b>62%</b>	
	SOAR Duluth At Work - Project SOAR	CDBG	Jobs	20	20	\$ 160,000	20	22	\$ 160,000	14	11	\$ 112,000	15	17	\$ 120,000	16		\$ 128,000					EO-1
	Employment & Training - CHUMWorks	CDBG	Jobs	15	19	\$ 112,500	15	17	\$ 120,000	9	9	\$ 72,000	9	9	\$ 72,000	9		\$ 72,000					EO-1
	NYS JET (Jobs, Education & Training) - NYS	CDBG	Jobs	5	2	\$ 40,000	5	6	\$ 40,000	2	3	\$ 16,000											EO-1
	Futures Program - Life House	CDBG	Jobs				6	6	\$ 48,000	3	3	\$ 24,000	3	3	\$ 24,000	5		\$ 40,000					EO-1
	Circles of Support - Community Action Duluth	CDBG	Jobs				11	3	\$ 90,500	7	3	\$ 56,000	6	2	\$ 48,000	4		\$ 32,000					EO-1
<b>18B</b>	<b>Economic Development Technical Assistance</b>		<b>Businesses</b>	<b>6</b>	<b>10</b>		<b>8</b>	<b>9</b>		<b>8</b>	<b>8</b>		<b>8</b>			<b>8</b>		<b>\$ 64,000</b>	<b>95%</b>	<b>40</b>	<b>27</b>	<b>68%</b>	
	Growing Neighborhood Businesses- NE Entrepreneur	CDBG	Businesses	6	10	\$ 18,207	8	9	\$ 66,500	8	8	\$ 64,000	8	8	\$ 64,000	8		\$ 64,000					EO-1
	<b>Total of Economic Development Objective</b>					<b>\$ 330,707</b>			<b>\$ 525,000</b>			<b>\$ 344,000</b>			<b>\$ 328,000</b>			<b>\$ 336,000</b>					
IDIS Code	Public Facilities Objective Priority Need	Funding Source	Performance Indicator	2010 Goal	2010 Actual	2010 Source Amount	2011 Goal	2011 Actual	2011 Source Amount	2012 Goal	2012 Actual	2012 Source Amount	2013 Goal	2013 Actual	2013 Source Amount	2014 Goal	2014 Actual	2014 Source Amount	Percent of 5yr Goal	5 Year Goal	5 Year Actual	% Achieved of 5 Yr actual	Outcome/Objective
<b>03C</b>	<b>Homeless Facilities</b>		<b>Facilities</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>601</b>						<b>60100%</b>	<b>1</b>	<b>0</b>	<b>0%</b>	
	Hillside Apartments Public Facility	CDBG	Facilities										1		\$ 225,000								SL-3
	LIFELINE Building	CDBG	People										600		\$ 142,000								SL-3
<b>03D</b>	<b>Youth Centers</b>		<b>Facilities</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>1</b>	<b>0</b>										<b>0</b>		SL-3
	Lincoln Park School for Boys & Girls Club									1	0	\$ 50,000											SL-3
<b>03E</b>	<b>Neighborhood Facilities</b>		<b>Facilities</b>	<b>2</b>	<b>0</b>		<b>0</b>	<b>2</b>		<b>1</b>	<b>0</b>					<b>1</b>		<b>\$ 250,000</b>	<b>67%</b>	<b>6</b>	<b>2</b>	<b>33%</b>	
	Memorial Park Community Center	CDBG	Facilities	1	0	\$ 250,000		1															SL-3
	Damiano Accessibility Project	CDBG	Facilities	1	0	\$ 279,450		1															SL-3
	Damiano Soup Kitchen Renovations	CDBG	Facilities							1	0	\$ 313,790		1									SL-3
	UDAC Building Reformation	CDBG	Facilities													1		\$ 250,000					SL-3
<b>03K</b>	<b>Street Improvements</b>		<b>Households</b>	<b>0</b>	<b>0</b>		<b>20</b>	<b>7</b>		<b>0</b>	<b>3</b>								<b>10%</b>	<b>200</b>	<b>10</b>	<b>5%</b>	
	Street Assessment Assistance	CDBG	Households				20	7	\$ 84,000	0	3			18									SL-2
<b>03L</b>	<b>Sidewalks</b>		<b>Facilities</b>	<b>22</b>	<b>0</b>		<b>20</b>	<b>10</b>		<b>0</b>	<b>0</b>								<b>38%</b>	<b>110</b>	<b>10</b>	<b>9%</b>	
	Curb Ramp Accessibility & Sidewalk Improvement VII	CDBG	Facilities	22	0	\$ 42,020	20	10	\$ 61,495														SL-3
	<b>Total of Public Facilities Objective</b>					<b>\$ 571,470</b>			<b>\$ 145,495</b>			<b>\$ 363,790</b>			<b>\$ 367,000</b>			<b>\$ 250,000</b>					



## **The Community Development Block Grant (CDBG) Program**

The CDBG program is a significant community development resource for the City of Duluth, bringing approximately \$2.3 million to the City annually. The U.S. Department of Housing and Urban Development (HUD) manages the CDBG, and the principal objective of the program is providing assistance to persons and households with low and moderate incomes (LMI). At least 70% of the CDBG funds must be allocated to activities that assist LMI persons, and during 2013 the City of Duluth utilized 100% of the CDBG resources for that purpose.

The City of Duluth is a Participating Jurisdiction (PJ) or grantee for the CDBG program, according to a formula based on Duluth's population, age of housing, percentage of persons living in poverty and other socio-economic factors, which is updated when new census data is available. Through Duluth's citizen participation process, the City administration drafts the City's Consolidated Plan for Housing and Community Development, outlining community needs and priorities for CDBG fund expenditure. Each year, the Duluth City Council receives a recommendation from the Community Development Committee (CD Committee) on priorities for CDBG funding. The City Council then determines community development policy and corresponding fund allocation. The Duluth Mayor has final review and approval authority of the Consolidated Plan.

While federal regulations govern many aspects of the CDBG Program, the PJ has a great deal of latitude in determining local priorities to be funded under the Program. Each community completes a five-year Consolidated Plan that outlines the goals and priorities to be accomplished with CDBG funds and through assistance with other partnerships. Communities identify the CDBG goals and priorities to be accomplished each year in an Annual Action Plan, which works toward accomplishing the goals and strategies outlined in the City's Five-Year Consolidated Plan. Eligible applicants for CDBG funding include for-profit institutions, nonprofit organizations, public agencies and neighborhood districts. CDBG assistance may not be used for direct assistance to individuals (for example, a grant to a family for its transportation expenses) or for political or religious purposes.

All CDBG funding allocations must meet one of three national objectives:

1. Benefiting low- and moderate-income persons. "Moderate income" is 80% of the area median income; "Low income" is 50% of the area median income; "Very-low income" is 30% of the area median income. The 2012 Duluth median income is \$62,300.
2. Prevention or elimination of slum or blight conditions.

3. Meeting an urgent community development need (such as a natural disaster).

### CDBG Program Areas

The CDBG program allows a community to implement programs and activities in four major categories: Affordable Housing, Economic Development, Public Facilities and Public Services. Each of the program areas allows the City to achieve locally designated community development goals. Each of the following program areas will provide a more detailed description of: 1) an assessment of the Five Year goals and the accomplishments completed this year; 2) what was accomplished from the Consolidated Plan objectives; 3) Activities to meet underserved needs.

## **Economic Development**

In the Consolidated Plan for Housing and Community Development FY 2010-2014, the Economic Development category includes two economic development objectives as high priority needs and three objectives as medium priority needs. The City's FY 2013 Action Plan funded five economic development projects. The goal for four of those activities was to create jobs for low-moderate income (LMI) individuals (Duluth At Work), while the other was to provide technical assistance to small business owners.

The category of economic development may in its broadest sense include any and all efforts aimed at sustaining or increasing business activity within a community. However, the use of CDBG funds in the program category of economic development is restricted to what HUD regulations label "special economic development activities."

This category includes:

1. Commercial and industrial improvements i.e., acquisition, construction, rehabilitation or demolition.
2. Financial and technical assistance supporting the development of micro-enterprises, job creation, or job retention that benefit low-moderate income (LMI) persons.
3. Workforce development programs to provide LMI persons with the skills to qualify for jobs created by CDBG-assisted economic development activities or lead to job placement.

The Duluth At Work Initiative focuses primarily on assistance to micro-enterprises and job creation efforts that benefit LMI persons.

Table 3A illustrates how the 2013 economic development funding was allocated, what accomplishments were attained, and what progress has been made toward meeting the goals identified in the five-year Consolidated Plan.

### **Five-Year Goal Assessment**

The economic development performance goals identified in the five-year Consolidated Plan are to create 200 job opportunities for LMI residents and assist 40 micro-enterprises. In 2013, the Community Development Committee allocated \$264,000 to create job opportunities for LMI residents over three years and \$64,000 to assist micro-enterprises over two years, for a total of \$328,000 toward economic development programs.

This brings the total amount of CDBG funds that have been allocated to economic development projects to meet the five-year Consolidated Plan's Economic Development priority needs to \$1,527,707.

This is the fourth year of the five year plan. When pairing the 124 jobs that were created in the first three years of the Consolidated Plan (2010, 2011, and 2012) and the 31 jobs created in 2013, approximately 77.5% of the goal of creating 200 jobs over the five-year period covered by the Consolidated Plan has been achieved through three years. However, each Duluth At Work program is a three-year contract, meaning money allocated to the Duluth At Work initiative projects in 2011, 2012 and 2013 will still be used to gain more jobs or training through the completion of those three-year projects. Also, Duluth's Consolidated Plan Goal to serve 40 micro-enterprises in five years is progressing at a good rate. Through the first three years of the Consolidated Plan, 27 businesses were assisted, with an additional eight more businesses assisted in 2013 for a total of 35 (87.5%) of the five-year goal.

### **Consolidated Plan Objectives**

In 2013, five projects were awarded a total of \$328,000 in CDBG funds to assist the City in meeting the economic development goals and objectives outlined in the Consolidated and Action Plans.

**Objective 22** - Invest in skill training of Duluth At Work participants to fill jobs for local businesses.

Projects funded under the Duluth at Work program assist low-and-moderate income persons with job training and securing employment; working towards the outcome of increasing their income by 25% over a three year period. 2013 accomplishments for the Duluth At Work projects include:

SOAR Career Solutions' 2013 goals was to assist 15 individuals. They exceeded this goals by helping 17 people secure employment.

CHUM Employment Services' 2013 goal was to assist 9 individuals and 9 people were helped to secure employment.

Life House Futures Program 2013 goal was to assist 3 youth; 3 youth were helped to secure employment.

Community Action Duluth Circles of Support's 2013 goal was to 6 people. They did not meet their goal as only 2 people secured employment.

**Objective 23** - Provide training and technical assistance to businesses to increase assets and create jobs.

Entrepreneur Fund's Growing Neighborhood Businesses was funded under the Duluth At Work program to assist businesses with technical assistance to expand and hire LMI persons trained in the Duluth At Work programs. Their 2013 goal was to assist 8 businesses and 8 businesses were assisted.

### **Duluth's Anti-Poverty Strategy**

According to the Anti-Poverty Strategy, the principal overarching goal of CDBG economic development funds is to reduce the number of Duluth's families and individuals currently living in poverty. Historically, the City has addressed this objective by investing CDBG funds in our community development partners' programs that create living-wage employment and/or provide LMI persons with workforce readiness skills.

These initiatives have been designed to reduce the number of Duluth households experiencing economic hardship. Job training, education opportunities, and the creation of permanent jobs to be filled by persons who are LMI at the time of hire represent some of the long-term efforts of the City of Duluth to provide benefits for the community's financially-disadvantaged households.

In 1998, the City of Duluth adopted a policy which exceeds the minimum HUD requirements governing the use of CDBG funds for economic development and continues to adhere to that policy. Although CDBG guidelines only require that the majority of jobs created through the use of CDBG funds be offered to LMI persons at the time of hire, Duluth's CDBG economic development policy stipulates that such jobs must be filled by, not simply offered to, LMI qualified persons at the time of hire.

The following policies form the basis of the funding evaluation process that will be utilized for determining how the annual investment of Community Development resources will implement the goal of reducing the number of Duluth's families and individuals currently living in poverty:

Policy #1: Provide occupational training programs coupled with career development and job placement in partnership with the City's Workforce Development Division 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 (e.g., child care, health care, transportation).

**Goals and policies for reducing the number of families in poverty, a new approach - *Duluth At Work*.**

Duluth's 2010-2014 Consolidated Plan articulated the overarching goal of the Anti-Poverty Strategy: to reduce the number of Duluth's families and individuals currently living in poverty. One essential method for reducing poverty for all of these groups is increasing household income.

In order to meet the objective of increasing household income for persons living in poverty, the City of Duluth has forged partnerships between private businesses, employers and nonprofit groups to develop a new approach to workforce development and poverty reduction.

This approach, implemented in FY 2008, is called "Duluth At Work". The Duluth At Work program is a holistic approach addressing the many challenges people in poverty face as they work toward becoming economically self-sufficient.

Duluth At Work is based on the Economic Opportunity Initiative (EOI) model from the City of Portland, Oregon, and is funded by multiple sources-- CDBG and the Northwest Area Foundation--and utilized a series of well researched best practices. The research used to develop the EOI also demonstrate there is no one-size-fits-all approach to assisting low-income people in attaining higher wage jobs and small businesses in securing financial stability and long-term success.

Through the implementation of this set of best practices, the Duluth At Work program is creating a system designed to remove barriers that people commonly experience when programs and services are provided in isolation from one another. This model allows for the tailoring of program elements to support program participants' strengths and is also designed to address individual and common needs.

These "Best Practices for Poverty Reduction", based on the Portland EOI model, include the following:

1. Serve a relatively small number of participants, so that the program can build on their individual strengths and be tailored to their individual and common needs.
2. Projects should serve groups with a common business/career track or similarity in ethnicity, housing or personal challenges or situations. Structured opportunities for peer support should be incorporated into all projects.
3. Offer comprehensive support services to remove personal barriers to success such as transportation, limited English, child care, housing status, lack of financial education and problem work behaviors. This requires some supported referrals and purchase of goods and services.
4. Emphasize development of strong long-term mentoring/coaching relationships between project staff and participants.
5. Involve employers early in program and curriculum design and by obtaining their commitment to employ graduates of workforce programs. Use active, workplace-based training approaches when possible.
6. Use individualized, comprehensive business planning and assessment with hands-on/ on-site business coaching in addition to structured business education and training activities.

The performance measurement for projects funded through the Duluth At Work initiative is employment training that leads to job placement and an increase of 25% in the individual's income from the time they enter the program through placement and after three years, or assistance to small businesses that leads to overall business growth of 25% in three years that may have an ancillary benefit of job creation.

### **Activities to Meet Underserved Needs**

Persons with multiple barriers lacking sustainable employment constitute a disproportionate number of our community's low-income households. To address this issue, all of the CDBG funded economic development programs focus on serving traditionally under-served/hard-to-employ populations. A primary focus of the Duluth At Work program is to assist persons with barriers to employment, primarily working through the Duluth Workforce Center, to assist people with accessing employment and then increasing their incomes by 25% over a three-year period. Outcomes from these efforts are reported to the CD office on a quarterly and annual basis.



The Duluth Human Rights Office, Human Rights Commission, and Duluth American Indian Commission are efforts by the City to address discrimination in all forms, including those factors creating employment discrimination.

In addition to the required demographic information that projects report, they are also required to track reasonable accommodations requested by their program participants. This information is intended to ensure that all sub-grantees are aware of their obligations to provide reasonable accommodations for access to their programs.

## **Public Facility Improvements**

The CDBG Target Areas are identified by Census Tracts and Block Groups that have a majority (51% or more) of income-eligible residents. Duluth has seven CDBG Target Areas that span several neighborhoods within the city. Grass-roots citizen groups in each of the CDBG Target Areas developed multi-year community improvement strategic plans in 2012. These "At Home In Duluth" plans and the additional input gathered at Community

Development Neighborhood Forums, and at CD Committee Public Hearings, both held as part of the City's public participation efforts, were used to help decide which public facility improvement projects were to be ranked high, medium and low priorities. Information gathered at the forums and the public hearings was also considered during the CD Committee's deliberations regarding the selection of individual Public Facility projects to be funded.

The City's 2010 – 2014 Consolidated Plan for Housing and Community Development listed four public facility activities as "high" priority and ten as "medium" priority.

### **Five-Year Goal Assessment**

The 2010-2014 Consolidated Plan included the following goals as public facility needs to be accomplished by 2014: one homeless facility, six neighborhood facilities, 200 households for street improvements, and 110 sidewalk facilities.

Five neighborhood facilities were completed in the 2013 program year. The Damiano Center Elevator project, funded in 2010, was completed in 2013 and Damiano Center's Soup Kitchen Renovation project, funded in 2012, was completed in 2013. The Memorial Park Community Center, funded in 2010, was completed in 2013, and the American Indian Center, funded in 2007 for an elevator, was completed in 2013. Lastly, the Central Hillside Community Center Window Replacement project, funded in 2013, was completed in 2013.

A Public Facility project that received funding in 2012 was the Lincoln Park School Redevelopment, which will result in the reuse of a neighborhood school building that will house youth services provided by the Boys & Girls Club. That project has been delayed because the project developer is applying for Low Income Housing Tax Credits through the Minnesota Housing Finance Agency, and is working to establish a Financial Opportunity Center within the building also. The environmental review was completed and the applicant is working with the building owner to finalize project specifics. The project is 20% complete and is anticipated to be completed in 2014.

Twenty-eight (28) low-moderate income households received assistance for street improvements, eighteen of these homeowners received assistance in FY 2013 with the completion of the Riverside project. In previous years, the other ten households were assisted during the reconstruction of Ivanhoe Street (7) and Anderson Road (3). The Street Assistance project, funded in 2011, is now complete.

The City will continue examining neighborhood and public facility improvement needs and base funding decisions on the greatest need, funding those projects that benefit our Target Neighborhoods.

### **Consolidated Plan Objectives**

There are three Consolidated Plan Objectives that fall under Public Facilities.

**Objective 9** - Assist LMI Homeowners with assessments for street improvements. Our goal for 2010-2014 is to assist 200 homeowners with the payment of street assessments for street improvements. In 2011, seven homeowners were assisted, in 2012, three homeowners were assisted, and in 2013, 18 homeowners were assisted.

**Objective 10** - Improve sidewalk surfaces to be accessible with mid-block and corner pedestrian ramps.

The 2010-2014 Consolidated Plan has a goal of 110 facility improvements to sidewalks. In 2011, the City improved one block of sidewalks which included ten ramps.

**Objective 12** - Provide improvements to Neighborhood facilities for accessibility and delivery of vital services.

The 2010-2014 Consolidated Plan has a goal of six neighborhood facilities to be improved. At the end of Fiscal Year 2013, 5 neighborhood facilities have been completed; 2 of the projects were completed in 2013 including "Damiano Soup Kitchen Renovations" and "Central Hillside Community Center Window and Door Replacement".

## **Activities to Meet Underserved Needs**

The Damiano Center will improve and expand its operations of the Soup Kitchen through the renovations, and will be able to expand services to homeless and LMI individuals.

## **Public Services**

In the 2010-2014 Consolidated Plan, the City identifies a number of public services as high priorities. In 2013, the City allocated a total of \$320,725 for thirteen projects under the public service category, which is just under the 15% of the total CDBG allocation, the maximum amount allowed by HUD for Public service programming. The public service funding was used to provide services such as food, shelter, clothing and health care that benefited LMI individuals and families. Table 3A illustrates how CDBG Public Service funds were allocated in 2013, the accomplishments that were completed and progress toward meeting the five-year Public Service goals identified in the Consolidated Plan.

## **Five-Year Goal Assessment**

The performance goal identified in the five-year Consolidated Plan is to provide public services to 86,850 people between 2010 and 2014. In the first year of the Consolidated Plan (2010), a total of 27,810 people received assistance under the Public Service categories, which is 32% of the total five-year goal. In the second year (2011), a total of 22,583 people received services, which is 26% of the total five year goal. In the third year (2012), 22,468 people received services, which is 26% of the total five year goal. In the fourth year (2013), 21,877 people were assisted; which is 25% of the total five year goal. To date, a total of 94,738 people have received services, which exceeds the Consolidated Plan five-year Public Service goal. One explanation as to why so many more people have accessed public service than anticipated is likely attributed to the economic downturn that impacted many people in the past five year. However, a surprising trend over the past for years shows that access to public services has declined each year since 2010. As reported above, 27,810 persons accessed services whereas 21,877 accessed services in 2013.

**2013 Action Plan Goal:** The performance goal identified in the 2013 Action Plan is to provide public services to 24,458 people. The public service projects served a total of 21,877 persons. Although the 2013 goal was not reached, the five year goal has been exceeded. The Public Service categories that showed declining service in 2013 were the CHUM Hunger Project who accomplished only 86% of their goal (10,390/12,000) and The Community Health Care Project which accomplished only 93% of its goal (5,888/63,000).

In 2013, a new initiative was funded under the Public Service category, called the Coordinated Access for the Homeless. The City has been coordinating efforts with the St. Louis County Continuum of Care, with assistance from Minnesota Housing Finance Agency, to develop a Coordinated Access and Assessment model for the City of Duluth and greater St. Louis County. In 2013 St. Louis County Health and Human Services applied and received a Technical Assistance Grant from HUD. Two technical Assistance staff, one from HUD and one from the Minnesota Corporation for Supportive Housing, spent three days interviewing homeless service provider staff from all representative agencies, both in the City of Duluth and in Greater St. Louis County (14 agencies), held a pre-interview educational session about Coordinated Assessment, then held a post-interview session to help the Continuum of Care development a work plan that identified actions to be carried out that would facilitate the desired system change. During that process, the community decided to work toward implementation of a multi-door Coordinated Access and Assessment model. A work plan was developed through the HUD TA process and a Coordinated Access Implementation Team was identified. Members of the CA Implementation Team have been meeting regularly to complete the actions identified in the Work Plan and report activities to the Heading Home St. Louis County Leadership Council and to the city's Affordable Housing Coalition. In an effort to support the implementation of a Coordinated Access and Assessment model, the City allocated \$12,085 in 2013 CDBG Public Service funds to help start the city's first Coordinated Access entry site. However, the process for implementation of the CA entry sites has been delayed, but entry points are expected to be operation by the end of 2014.

### **Consolidated Plan Objectives**

In 2013, thirteen projects were awarded a total of \$320,725 in CDBG funds to assist the City in meeting the Public Service goals and objectives outlined in the Action Plan. The majority of Public Service funding, \$102,860 (32%), was allocated toward programs that offered access to essential services such as food and clothing. In addition to essential services, programs for the homeless, including emergency shelters and transitional housing, received 30% of the 2013 allocation; 20% was used to provide access to health care and dental services for low-income uninsured and underinsured residents of Duluth; 14% was used to provide safe access to emergency shelter for women and their children fleeing domestic violence and for day shelter and support services to homeless and at-risk youth. The remaining 4% was allocated toward the implementation of a Coordinated Access and Assessment site, which is expected to be implemented in 2014.

**Objective 13** - Support programs that fulfill basic needs for persons who are homeless or in poverty - food, clothing, and shelter.

Three agencies collaborate to operate the Duluth Hunger Project; they include CHUM, the Damiano Center and the Salvation Army. Each agency is located in a different part of Duluth, and while each are not open every day, they coordinate efforts so that low-income and homeless individuals and families of Duluth can access on-site, hot meals and emergency food packages every day. In 2013 approximately 10,390 people/meals were served, which is only 66% of their 2013 service goal (12,000). The declining number of people accessing these services may be attributed to the improving economy.

Damiano Center's Clothes That Work program provided work-appropriate clothing to 1,538 low-income people seeking to access new employment or to maintain their current employment. The program exceeded their 2013 service goal (1,200) by 22%.

In 2013, CHUM Emergency Shelter provided 1,050 homeless persons (individuals and families) access to safe, overnight shelter, exceeding their goal of 900 people by 16%.

**Objective 14** - Provide transitional housing and services for persons who are homeless to become stabilized.

Four transitional housing programs, including the American Indian Community Housing Organization (AICHO), Center City Housing, MN Assistance Council for Veterans (MACV) and Salvation Army provided access to long-term transitional housing and support services to 284 homeless individuals and families, which exceeded their collective goal of 251 by 12%.

Center City Housing provided Permanent Supportive Housing to 71 people; their goal was to serve 72 people.

**Objective 15** - Provide shelter and services for battered and abused spouses to leave the violence and become stabilized.

Safe Haven Shelter for Battered Women provided temporary emergency shelter to 501 women and their children during 2013 year, their goal was to serve 500 people.

**Objective 18** - Support the provision of primary health care and dental care for uninsured and under-insured in the community.

The Lake Superior Community Health Center served 5,888 people in 2013, which was less than their goal of 6,300 persons. While they met only 93% of their goal, it is an increase in service from 2012 which was 5,150, and an increase over 2011 which was 4,467. The increase in access to health care services is likely attributed to additional funding under the Affordable Health Care Act.

**Objective 19** - Provide tenant/landlord mediation services to avoid or prevent evictions.

The project that provided tenant/landlord services no longer operated after 2011, and no further CDBG funds were used for these activities. However, other agencies in Duluth provide similar homeless prevention and landlord/tenant services to Duluth residents under the State funded, Family Homeless Prevention and Assistance Program (FHPAP). They include the American Indian Community Housing Organization (AICHO), Legal Aid Services of Northeast Minnesota, Salvation Army and Life House.

In 2013, the City began providing prevention (and rapid re-housing) assistance under the HEARTH Act Emergency Solutions Grant (HESG). Agencies that provide ESG prevention assistance include AICHO, Life House and Salvation Army.

Lastly, the Minnesota Assistance Council for Veterans (MACV) provides prevention (and rapid re-housing) services through the Support Services for Veteran Families (SSVF) Program, funded by the Veterans Administration.

**Objective 21** - Support programs that help abused and neglected youth who are homeless or at-risk of being homeless to become stabilized.

Life House Youth Center provided access to an array of supportive services and referral to 658 homeless and at-risk teens to help stabilize their lives; which exceeded their 2013 goal of 600 by 9%.

### **Activities to Meet Underserved Needs**

In 2013, the City continued to fund numerous public service agencies that are working with people with "worst-case" needs. The City, in partnership with St. Louis County, completed a Ten-Year Plan to End Homelessness named Heading Home St. Louis County. Many of the agencies supported by the City through the CDBG and ESG Programs participate in efforts to implement the Plan, as do agencies throughout the County. The Plan calls for an increase in the development and support of many new and converted rental properties to permanent supportive housing, additional Shelter + Care units, greater focus on rapid re-housing and discharge planning and a greater access to long-term support networks.

Lastly, all agencies funded through the CDBG, HOME and ESG Programs are required to track all reasonable accommodations requested by persons with disabilities. While required, this information is intended to ensure that all sub-grantees are aware of their obligations to grant reasonable accommodations when economically feasible. Agencies maintain a log of persons requesting reasonable accommodations, which includes the nature of the request and how the request was accommodated. Agencies submit these logs to the Community Development office at the end of the program year.

## **Housing**

### **Five-Year Goal Assessment**

On August 13, 2012, the City Council approved a substantial amendment to the 2012 Action Plan related to two housing program awards. One Roof, Duluth HRA and City staff agreed that the best use of 2012 HOME Program funds would be homeowner rehab. The substantial amendment changed the HRA's homeowner rehab project funding from CDBG to the HOME Program, and awarded CDBG funds to One Roof for their project. The goal for acquisition, rehab and resale homes was reduced from 8 to 5, and the goal for the homeowner rehab units increased from 8 to 15. The new amount of the funding awards and unit goals are reflected in the housing section of Table 3A. In June, 2013, funds were "shifted" again by mutual agreement. The HRA and One Roof were successful in securing a large pool of rental rehab funds from Minnesota Housing, which had a short deadline to be used. This resulted in an overabundance of rental rehab funding, while at the same time other sources of homeowner rehab dollars had decreased. Therefore, \$225,000 originally intended for the HRA rental rehab program were reallocated to two homeowner projects funded under the 2013 Action Plan, the HRC and Weatherization program. These changes are also reflected in Table 3A.

On June 20, 2012, northeastern Minnesota was hit by a storm that dumped 10 inches of rain in 24 hours, causing major infrastructure damage, and flooding that impacted over 800 Duluth homes. A Presidential Disaster Declaration followed. Staff from the City, HRA and non-profit housing agencies immediately began working with flood victims to assess damage, apply for disaster funding, and complete initial repairs. Previously planned rehab work was delayed, time and resources were stretched to meet disaster related needs, and contractors worked overtime. Long term recovery continued into the 2013 program year, although at a slower rate. Production on the ongoing programs for homeowner and rental rehab, and rehab for resale were significantly impacted, lowering completed unit counts for a second year.

In 2013, the HOME funded Tenant-Based Rental Assistance (TBRA) program, operated by the HRA, far exceeded its goal of providing housing vouchers to 20; 35 hard to house, homeless families and singles accessed stable housing through the TBRA program. Further, the TBRA program is on target to more than double its five-year Consolidated Plan goal of 50. To date the program has housed 91 homeless families and singles.

As a cold climate city, improving energy efficiency is a priority for Duluth's housing stock. This past year, the Arrowhead Economic Opportunity Agency (AEOA) and Ecolibrium3 (Eco3) worked together under one CDBG funding award to completed energy improvements for 90 income eligible households. Extreme Winter conditions delayed AEOA's ability to insulate exterior walls of their single family home projects. Therefore, the 2013 contract was extended for an additional three months into the new

program year. Currently, cumulative units are 52% of the five year goal. In 2014, all energy improvement projects will be incorporated into HRC rehab projects. Because of this, only the units completed in the additional three months will be classified as 14F Energy Efficiency Improvements. Therefore, we know we will not meet the five year goal under 14F. However, energy improvements will be part of all HRC rehab projects, actually resulting in more homes becoming energy efficient.

Single family residential rehab projects consisted of HRC homeowner rehabs and repair of lateral sewer lines. There were 7 HOME funded rehabs, 15 homes that meet the CDBG eligibility rehabbed with other funds, and 10 emergency sewer and water line projects utilizing CDBG funding. Cumulatively, CDBG and HOME funded single family rehabs are now at 42% of the five-year goal. Adding in the eligible 15 units, it would be 46%. The "Housing Resource Connection", a collaboration between the Duluth HRA, One Roof Community Housing, Ecolibrium3, AEOA and the City's Community Development Division, was fully implemented in 2013. The benefits of this collaboration include a common application available online or at any of the partner agencies; eligibility determination and underwriting by shared staff who tailor financing of improvements based on the needs of the household; inspection services and rehab oversight provided by HRA staff; a single waiting list and prioritize of projects; a shared data base; common rehab standards; and joint applications for funding requests. The rehab standards have been enhanced to require that a rehab projects include all code issues, lead-paint hazards, and significantly increased energy efficiency. The goal is to move to a comprehensive "Healthy Homes" approach. The increased scope of work has meant increased costs per house, and therefore, fewer homes can be rehabbed.

The Individual Development Account savings program, funded under Direct Homeownership Assistance, operates as a three-year grant because it takes participants several years before they save enough money for a down payment to purchase a home. In the 2013 program year, seven (7) program participants purchased homes. To date, thirteen program participants have purchased homes, which is 19% of the five-year Consolidated Plan goal. The achievement is low for this project, primarily because of the down-turn, and tightening of the housing market over the past years. However, as the economy and the housing market has begun to recover, we see by the 2013 program performance has improved and the number of homebuyers has significantly increased in 2013. This project was not funded for the 2014, program year. However, this project will continue to remain open for 3-5 years to allow current program participants who are saving money to continue to have to opportunity to purchase a home.

The Rental Rehab Program, operated by the HRA, completed rehab on 13 rental units in the 2013 program year. The Steve O'Neil Apartments, a 44 unit permanent supportive housing project, is currently under construction, and will be completed in 2015. At this time, 54% of the goal has been accomplished. With the completion of O'Neil



Apartments, as well as State funded RDDDL rehab projects, there is potential to meet, or exceed, the five year goal.

One Roof Community Housing (One Roof) completed five (5) acquisition, rehab and resale units utilizing 2011 HOME program funding, and four (4) with 2012 CDBG dollars and two (2) with 2013 funds, for a total of eleven (11) units. Table 3A shows 25% of the five year goal achieved. This is a more "normal" annual production rate, which was lower in the recent past due to the major flood in June, 2012, when the focus of housing agencies turned to disaster recovery. This brings the actual production to 54% of the five year goal. Although not reflected in Table 3A, there were an additional 27 NSP acquisition resale units completed. Including NSP units in the count, we are at 50% of the goal.

See Table 3A for a breakdown of grant funds spent to achieve housing goals and objectives.

### **Consolidated Plan Objectives**

The Consolidated Plan for FY 2010-2014 includes goals that meet the City's housing needs and assist households in accessing safe, affordable housing. Goals and objectives fall under two categories, rental and owner-occupied housing, and can be found in Table 2C in the Plan, Objectives 1 through 8.

#### Rental Housing

**Objective 1** - Assist families to secure affordable rental housing.

In 2013, One Roof Community Housing was awarded CDBG and HOME Program funds for acquisition of property and new construction of a supportive housing multi-family development to serve 44 homeless families. Construction started in early 2013, and is currently underway. This project was initially named "Hillside Apartments", but has been renamed the "Steve O'Neil Apartments" in honor of the long time homeless and housing advocate and St. Louis County Commissioner that died last year. The project is expected to be completed before the end of the 2014 calendar year.

**Objective 2** - Improve energy efficiency of multi-family units.

The 13 units of rental rehab completed by the HRA's Rental Rehab Program included energy efficiency improvements, which resulted in a 10% increase in energy efficiency.

**Objective 3** - Provide Tenant Based Rental Assistance (TBRA) to homeless individuals.

The Duluth HRA administers a HOME funded TBRA program, which provides vouchers to homeless individuals and families. During the 2013 program year, 35 households were assisted. This number has substantially increased each year since 2010, as the need for housing assistance increased with the economic recession of the past few years.

**Objective 4** - Rehab multi-family units to be compliant with Duluth Housing Code.

The HRA Rental Rehab program completed 13 units during the 2013 program year. The HRC secured a \$1 million rental rehab loan pool from Minnesota Housing, and rehab projects were began in 2013.

Owner Housing

**Objective 5** - Assist families to secure affordable homeownership.

Community Action Duluth administers a CDBG funded Individual Development Account (IDA) program to match the savings of LMI households so they are able to purchase a home. In order to accomplish this, program participants regularly deposit funds in a savings account for a few years before accumulating enough funds for the down payment and closing costs. In 2013, seven program participants (from 2010, 2011 and 2012 cohorts) had saved sufficient funds, along with the matched savings from the CDBG program, to purchase homes.

In 2013, One Roof Community Housing sold eleven totally renovated properties to new homebuyers at an affordable price.

**Objective 6** - Improve energy efficiency of single family units.

In the 2013 the Consolidated Plan goal of improving energy efficiency by 10% was accomplished through the following CDBG and HOME funded activities: AEOA's Weatherization and Ecolibrium3's Duluth Energy Efficiency Program (DEEP) worked together to coordinate energy efficiency improvement activities; AEOA completed 67 weatherization projects and Eco3 completed another 23 projects. One Roof completed 11 rehab for resale homes, and HRA completed 7 HOME funded rehab for resale homes, 15 rehabs funded through other sources. The combined total number of homes that increased their energy efficiency was 123.

**Objective 7** - Address vacant, substandard properties that may or may not be suitable for rehab.

The City of Duluth received funding from the Minnesota Department of Natural Resources and the Federal Emergency Management Agency to acquire and demolish flood damaged properties from the June 2012 flood. Through the end of FY 2013, the City had acquired 11 properties and demolished eight of those properties. The City will continue to acquire and demolish up to 23 blighted properties that were substantially damaged as a result of the flood. Also in 2013, the HRA used local funds provided by the Duluth Economic Development Authority to demolish 5 vacant and blighted properties.

**Objective 8** - Rehab single family units to be compliant with Duluth Housing Code.

The Duluth HRA completed rehab on a total of 32 properties for income eligible homeowners during the 2013 program year, 15 of which were funded with sources other than CDBG or HOME. Also in 2013, One Roof conducted major renovations on 11 homes, and the HRA assisted 10 homeowners with emergency repair of lateral sewer lines. A total of 53 single-family units received rehab assistance in 2013.

**Activities to Meet Underserved Needs**

Extremely Low, Low and Moderate Income Households Assisted

The five-year goals for extremely low income renters are 183, for low income 114, and moderate income 103. In 2013, there were 35 extremely low income served (19% of the goal), 3 low income (2%), and 9 moderate income (9%). When the downturn in the economy occurred, more emphasis was placed on housing the increased number of homeless families and individuals.

The five-year goals for extremely low income homeowners are 303, for low income 305, and for moderate income 391. In 2013, 57 extremely low income households were assisted (19% of the goal), 41 low income households (13%), and 33 moderate income households (8%).

Section 215 Households

In 2013, there were five homes bought by income eligible buyers that qualified as Section 215 units.

Worst Case Housing Needs

The HOME funded tenant-based rental assistance provided housing rental vouchers for 35 households. These households did not qualify for the HRA's Housing Voucher program or public housing, and were homeless or at risk of homelessness. Because this program is targeted to "hard to house" families, all of the TBRA vouchers address worst case housing needs.

There were 20 homeowners with incomes between 0% and 30% median, and 35 with incomes between 31% and 50% median that had their homes weatherized or rehabilitated. Homeowners at these income levels are very likely to be cost burdened.

Accessibility Needs of Persons with Disabilities

No units made accessible this year.

Removing Barriers to Affordable Housing

The following are strategies from the Consolidated Plan to address affordable housing barriers, and the actions taken in 2013.

**Strategy:** Co-locating permitting and planning services within City Hall to streamline the housing development process by forming a “One Stop Shop.”

In 2010, the “One Stop Shop” was formed on the second floor of City Hall. Plans are being made to also co-locate Community Development offices to this floor.

**Strategy:** Adoption of a new zoning code to implement the Comprehensive Plan for land use, to provide more affordable housing options, for example, mixed-use, that lead to more investment.

The Uniform Development Code has been adopted. Work continues to rezone those areas of the City where the underlying Comprehensive Land Use Plan conflicts with the new zoning.

**Strategy:** Provide funding to assist in the repair or replacement of lateral sewer and water lines by LMI homeowners.

The Duluth HRA assisted 10 households to repair their lateral sewer lines as required by the Environmental Protection Agency (EPA). Overflows into Lake Superior have been greatly diminished. The assistance for sewer line repair is now part of the general HRA rehab contract, as the original specific contract expired late in the program year.

**Strategy:** Support selected demolition of blighted properties in LMI neighborhoods. If directly funded through Community Development, demolition requirements will include leaving a “clean” site for redevelopment.

The City, using funds from the Minnesota Department of Natural Resources and Federal Emergency Management Agency received funding to acquire and demolish flood damaged properties from the June 2012 flood. Through the end of FY 2013, the City had acquired 11 properties and demolished eight of those properties. The HRA acquired and demolished five blighted single family structures, and provided clean sites on buildable lots. The “Blight Team” with members from several City departments, the HRA, non-profits, and St. Louis County continue to meet and coordinate efforts.

**Strategy:** Provide funding for affordability and value gaps for L/MI homebuyers.

Funds were provided for IDA savings accounts, and for affordability and value gaps for acquisition, rehab and resale homes.

**Strategy:** Increase per unit rehab funding to address all needed repairs and updates, including code, energy efficiency, major systems, sewer and water lines.

The Healthy Homes project funded by grants from HUD's Office of Healthy Homes and Lead Hazard Control have provided inspection protocol training held locally. Certified inspectors include staff from the Duluth HRA, Ecolibrium3, One Roof and AEOA. All HRC rehab projects are being accessed using healthy home protocols.

**Strategy:** Implement new gate keeper approach to housing rehab programs, for better service, coordination of available assistance, and increase efficient operation of housing agencies.

The Housing Resource Connection was implemented in 2013, a collaboration between the Duluth HRA, One Roof, Ecolibrium3, AEOA and the City's Community Development Division. The benefits of this collaboration include a common application available online or at any of the partner agencies; eligibility determination and underwriting by shared staff who tailor financing of improvements based on the needs of the household; inspection services and rehab oversight provided by HRA staff; a single waiting list and prioritize of projects; a shared data base; common rehab standards; and joint applications for funding requests.

**Strategy:** Apply for HUD lead-based paint funds for rehab of rental units, targeted to tenant-based rental assistance and housing voucher programs.

The City of Duluth, in partnership with the Duluth HRA, applied for and secured \$1,144,684 in 2010 HUD Lead-Based Paint Hazard Control Grant Program funds, for a three year project. The project began in 2011, with 70 units completed. City, HRA and American Lung Association staff submitted a new HUD Lead-Based Paint application in January, 2013, and were awarded \$2,418,395 to continue this work for an additional three years.

**Strategy:** Implement acquisition/rehab/resale programs to address vacant foreclosed properties in L/MI neighborhoods.

One Roof and the HRA used federal NSP1 funding provided through the State of Minnesota to acquire, renovate and sell to income eligible buyers foreclosed homes. The initial 25 properties were completed in 2011, and no new units have been completed. However, the HRA continues to build an NSP revolving loan fund with the payments from their units. Once enough funds have been collected, additional NSP units will be created. One Roof used HOME funds to acquire, rehab and resell eleven homes.

**Strategy:** Conduct a housing market survey to determine the actual median value of homes in Duluth.

The Community Development office once again published the annual Housing Indicator Report, which includes home values and sales statistics for Duluth. It continues to show a slow recovery from the recession in the single family housing market.

With the elimination of the 201(3)(b) standard of after-rehab value, a market study based on Housing Indicator sales statistics will be conducted.

**Strategy:** Require rehab programs that receive City funding to increase energy efficiency in existing homes by 10%, and require funded new construction to meet Energy Star standards.

All rehab programs met the 10% energy efficiency requirement. The new construction O'Neil Apartment project will meet Energy Star standards when completed.

**Strategy:** Provide funding for tenant-based rental assistance to help the "hard-to-house" population secure adequate housing.

Funding for Tenant-Based Rental Assistance remains as a significantly increased amount, in order to serve a higher number of homeless families and individuals.

**Strategy:** Modify Special Assessment policies to eliminate the "re-instatement" of special assessments on tax forfeit lots that have the potential for redevelopment.

City staff successfully eliminated garbage assessments on tax forfeit lots and homes.

#### Reduction of Lead Paint Hazards

The HRA tested 81 and cleared 60 housing units during the year, which included CDBG, HOME, State and federal lead hazard demonstration funded rehab projects. The City of Duluth, in partnership with the Duluth HRA, applied for and secured \$1,144,684 in 2010 HUD Lead-Based Paint Hazard Control Grant Program funds. A three year grant, 2013 was the third year of the project. The term of this initial grant has been extended to February, 2014. The goal of 70 units was reached, but funds remained in the grant to do additional units. 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.

## Section 108 Report

Section 108 Accomplishments Report																							
PROJECT DESCRIPTION				CDBG \$					ELIGIBLE ACTIVITY	NATIONAL OBJECTIVE		JOBS					HOUSING			LMA	LMC	SBA	SBS
Grantee Name	ST	Project Number	Project Name	108 Loan Amount	EDI/AMT	BEDI/AMT	Other CDBG \$	Total CDBG \$ Assistance	HUD Matrix Code for Eligible Activity	HUD N.O. Matrix Code	Indicate if N.O. Has Been Met Y=Yes N=No	FTE Jobs Proposed in 108 Appl.	Total Actual FTE Jobs Created	Number Held by/ Made Available to Low/Mod	Percent Held by/ Made Available to Low/Mod	Presumed Low-Mod Benefit (P) or Rev. Strategy Area (RSA)	Total Housing Units Assisted	Number of Units Occupied by Low/Mod Households	Percent of Units Occupied by Low/Mod Households	Percent Low/Mod in Service Area	Limited Clientele Y=Yes	Slum/Blight Area Y=Yes	Slum/Blight Spot Y=Yes
Duluth	MN	B-03-MC-27-0002	Village Place	\$7,857,860				\$7,857,860	12	LMH	Y						55	39	71%				

## The HOME Investment Partnerships Program (HOME)

### Assessment of Relationship of HOME funds to Goals and Objectives

The HOME Program provides grants and loans to implement the City of Duluth’s affordable housing strategies. Combined with CDBG and local resources, the HOME funds contribute to achieving the goals and objectives of the Consolidated Plan listed in Table 2C, and are included in Priority Needs Summary Table 3A. An analysis of the relationship of the housing activities carried out with the HOME funds expended during the reporting period to the objectives and priorities of the Consolidated Plan and Action Plan is included under “Housing” in the CDBG Program report of the CAPER.

Center City Housing, a Community Housing Development Organization (CHDO), received operating funds that strengthen their organization and allowed them to explore new housing development opportunities.

During the program year, five homes were acquired and rehabbed utilizing HOME funds (an additional six were CDBG funded) by One Roof Community. The Duluth HRA completed seven single-family rehabs under their 2012 HOME contract, four of which were funded with program income. The HRC also completed CDBG eligible single family units utilizing other funding, that are reported in the “Housing” section of the CAPER.

A HOME-funded project that addresses initiatives outlined in the Duluth/St. Louis County Ten-Year Plan to End Homelessness is the Duluth HRA’s Tenant-Based Rental Assistance (TBRA) Program. The number of vouchers has increased each year of the Consolidated Plan, with 35 households being assisted in 2013. HRA is on target to provide double the goal in the Consolidated Plan by the end of five years.

One additional HOME funded rental project, the Steve O’Neil Apartments, is under construction, and will be reported in next year’s CAPER.

## HOME Match Report

No match was documented this year. Excess match to be carried over into next year totaled \$2,215,693.33. The Fiscal Year 2013 HOME Match Report form (HUD form 40107-A) is included with this annual report.

## MBE and WBE Report

The Minority Owned Business and Woman Owned Business reports are now filed on the federal fiscal year, rather than the City's program year. The most recent report covered the period from October 1, 2012, through September 30, 2013. There were three HOME related contracts included in the report, all awarded to one minority owner business for three different projects. The total amount awarded was \$86,490. There was no woman owned business that received HOME funded contracts.

## Assessments

Community Development staff monitors rental properties that received HOME funds in the past and are still within the affordability period. The monitoring ensures tenants are income eligible, rents are within program limits, there are no prohibited lease terms, and prospective renters are treated fairly in the selection process. HRA staff conducted on-site physical inspections to ensure properties are safe and well maintained. In 2013, five rental properties were monitored, with three receiving on-site physical inspections and another two file reviews only. They are:

<u>IDIS #</u>	<u>Project Name</u>	<u>Address</u>	<u>Owner</u>	<u>Inspection(s)</u>
1671	Vets Place	5201 Ramsey St	MACV	Physical & File
1178	SIL House	129 N 24 <sup>th</sup> Ave W	MACV	File Only
1512	Gimaajii	202 West 2 <sup>nd</sup> St	AICHO	File Only
1714	Upper Trans Bldg	216 N 14 <sup>th</sup> Ave E	CCHC	Physical & File
1749	Lower Trans Bldg	1401 E 2 <sup>nd</sup> St	CCHC	Physical & File

City staff visited the above projects and conducted file reviews. Overall, the files were in good order and there were no "findings" or "concerns". The Duluth HRA performed the physical inspections of the three properties listed, as they are certified to conduct Housing Quality Standard, Housing Code, and Lead-Based Paint inspections. All of the units and buildings passed the required inspection standards, and were found to be well maintained. The HOME affordability period expired on two rental projects, Memorial Park Apartments and SIL House. Because SIL House had an extended affordability period, City staff reviewed files to ensure compliance with HOME regulations. City staff also reviewed files for the Gimaajii project, as there had been a number of complaints received concerning the management of the property. This is a new project, providing



supportive housing for homeless families. A review of files showed tenants were properly informed of lease violations, were not evicted, but did voluntarily move out of the building after receiving and acknowledging repeated notices.

City staff also monitored the HRA rehab and TBRA programs, and the One Roof rehab and resale program. Both One Roof and HRA were found by City staff to be in compliance with HOME Program and other federal regulations.

### **Assessment of Affirmative Marketing Actions**

The homeowner focused programs showed a 25% rate of non-white participants, which is somewhat higher than past years. The rental focused project, tenant-based rental assistance, had participation rates of 34% for Black/African American households and 14% American Indian/Alaska Native, resulting in approximately half of households served being non-white. Looking at the total of HOME funded projects and programs, 31% of households benefiting from HOME assistance were non-white. In summary, it appears affirmative marketing has been successful in reaching out to Duluth's households of color, which make up approximately 10% of the population.

### **Outreach to Minority and Women Owned Businesses**

City agreements with housing agencies that rehab or develop new housing require outreach to minority and women owned businesses. One Roof and the HRA maintain lists of qualified bidders for rehab and construction projects that include MBE and WBE contacts for notification. The bid process allows One Roof and the HRA to contract with MBE and WBE businesses if they are within 10% of the lowest bid.

### **Emergency Solutions Grant Program**

Since 1988, Duluth has annually funded the operation of emergency shelter and transitional housing facilities through HUD's Emergency Solutions Grant (ESG) Program. The HEARTH Act, enacted in 2009, reauthorized and amended the McKinney-Vento Homeless Assistance Act with significant changes to many of its programs, including ESG. Among those changes is a greater focus on prevention and rapid re-housing. In 2011 and 2012, the city received the regular ESG formula funding allocation in the amount of \$125,000. In addition, the City received an additional allocation of HEARTH Act ESG (HESG) funds in the amount of \$142,855, which became available in September 2012. Through a collaborative process under the Continuum of Care, it was determined that the additional HESG funds (both in Duluth and St. Louis County) would be used for a 'flex' fund that would provide cash assistance for rents, deposits, utilities and rent/utility arrears in association with ESG rapid re-housing and prevention activities. After a lengthy process to determine an agency to carry out the program services for the ESG Flex Fund (payments to landlord and utility companies, inspections, etc.) the Housing and Redevelopment Authority of Duluth was selected in 2013. In addition, protocols and procedures for operating the Flex Fund, such as targeting,

maximum rents, length of assistance, and other program operations, were developed in 2013 by the ESG service providers and Community Development staff. Agencies that access flex funds to help homeless and at-risk households gain and maintain housing and housing stability include Duluth’s three emergency shelters CHUM, Safe Haven and AICHO, Life House—Duluth’s primary system entry point for homeless and at-risk youth and Salvation Army who is also a system entry point for homeless families and singles. MACV has not, and does not intend to access the ESG Flex Fund because they receive rapid rehousing and prevention assistance funds through the Veteran’s Administration Support Services for Veteran Families.

The following is the allocation of 2013 ESG funds, which included 60% of the hold harmless amount for shelter operations:

<b>2013 ESG Projects</b>	<b>Allocation</b>
CHUM Emergency Shelter	\$28,626
Center City Family Transitional Housing	\$28,164
Salvation Army Family Transitional Housing	\$24,468
Safe Haven Shelter for Battered Women	\$18,000
AICHO Shelter & Transitional Housing for Native Americans	\$9,684
MN Assistance Council for Veterans Transitional Housing	\$4,140
Life House Youth Transitional Housing (HMIS)	\$6,912
Wilder Foundation (HMIS Administration & Reporting)	\$4,000
Housing & Redevelopment Authority (Flex Fund)	\$20,294

During the 2013 program year, CHUM, Safe Haven and AICHO shelters and Salvation Army and Life House began providing rapid re-housing prevention assistance under the ESG program in addition to the shelter activities they had been doing in the past. The addition of the ESG Flex Fund allowed the ESG service providers to provide prevention assistance to 65 people (31 households) and to provide rapid re-housing assistance to 119 persons (53 households).

### **ESG Matching Funds**

<b>2012 Projects:</b>	<b>Funding Sources</b>	<b>Amount</b>
CHUM Shelter	Federal/State & Local/Other	462,000
Safe Haven Shelter for Battered Women	Federal/State & Local/Other	1,100,000
Center City Transitional Housing Program	Federal/State & Local/Other	300,000
Life House Youth Transitional Housing	Federal/State & Local/Other	56,000
Veterans Transitional Housing	Federal/State & Local/Other	350,000
Salvation Army Family Transitional Housing	Federal/State & Local/Other	220,000
<b>Total Resources</b>		<b>\$2,388,000</b>

## Continuum of Care

The City of Duluth has long partnered with St. Louis County (SLC), in producing a business plan to end homelessness, *Heading Home St. Louis County, A Ten Year Plan to End Homelessness*, and establishing annual goals and objectives under the *Continuum of Care (CoC) Plan* for St. Louis County. Both the *Ten Year Plan to End Homelessness* and the *Annual CoC Plan* are incorporated into the City's Consolidated Plan and Annual Action Plans and used in the development of annual and five-year goals and strategies. While the SLC Health and Human Services Department is the lead entity for both the *Ten-Year Plan to End Homelessness* and the Continuum of Care, activities associated with the planning and provision of housing and services for homeless individuals, families and youth are coordinated through a network of homeless service providers, the Affordable Housing Coalition (AHC) in Duluth, the Rural Housing Council (RHC) in Northern St. Louis County, the Homeless Response Committees—the working groups for the Heading Home SLC 10-Year Plan and the Heading Home St. Louis County Leadership Council—the governing group for the *Ten-Year Plan to End Homelessness*. The goal of the *Ten-Year Plan to End Homelessness* and the *Continuum of Care*, through a countywide perspective and distribution of resources, is to help homeless individuals, families and youth to be rapidly re-housed in the most permanent housing possible, increase their housing stability and the housing security that goes along with stability, and to prevent new occurrences of homelessness. With the understanding that homelessness is not caused merely by lack of shelter, but rather involves underlying, unmet physical, economic and/or social needs, the supportive services provided for the homeless are designed to meet those needs. Support services include housing search and placement assistance and referrals to other community resources such as mental health treatment, drug and alcohol treatment, employment training, family support, life skills training, and providing for basic needs such as food and clothing. The SLC Health and Human Services Department and the City of Duluth Community Development Division are collectively responsible for managing the *Continuum of Care* process (since 1995) and the *Ten-Year Plan to End Homelessness*.

The City of Duluth has a long history of collaborating with St. Louis County (SLC) in the delivery of funding and programming for the homeless. Community Development staff have established a strong partnership with SLC staff and have worked closely with them in developing the Heading Home St. Louis County 10-Year Plan to End Homelessness, establishing a governing body to oversee the 10-Year Plan—the Heading Home SLC Leadership Council, the Continuum of Care (CoC) process, and distribution and oversight of federal and state homeless funding that comes to the City and County, through HUD's CoC and ESG programming and through the state of Minnesota's Family Homeless Prevention and Assistance Program (FHPAP). City and County staff work closely with emergency shelters, transitional housing and other housing and homeless service provider agencies under the SLC CoC Process.

In 2013, City and County collaboration is stronger than ever with focus on the new HEARTH regulations and related activities to develop a coordinated homeless response system that incorporates the prevention, rapid housing and coordinated assessment activities outlined in the new Emergency Solutions Grant regulations and the new Continuum of Care regulations. The current foundation for the SLC Continuum of Care is its Leadership Council—the governing group for the SLC Continuum of Care, and the two working groups—the Affordable Housing Coalition (AHC) in Duluth and the Rural Housing Coalition (RHC) in Northern St. Louis County that support the Leadership Council. The AHC and RHC are groups comprised of housing and service providers, representatives from schools, businesses, funding agencies and non-profit organizations. The committees work to address housing and service needs for homeless and low-income households in Duluth and Northern St. Louis County. Both the RHC and the AHC have working subcommittees—called Homeless Response Committees, that address homeless issues on a local level, work on activities related to the CoC, ESG, FHPAP funded projects and starting in 2012, Coordinated Assessment.

In 2013, City and County staff worked with the CoC's Homeless Response Committees and the Leadership Council under protocols and procedures established in 2012 for evaluating and ranking CoC SuperNOVA applications. Duluth agencies that participated in the collaborative application process received approximately \$150,000 in renewal funding for the 2013 program year. Those agencies include the American Indian Community Housing Organization (AICHO), Center City Housing Corp., The Salvation Army, the Minnesota Assistance Council for Veterans (MACV), Life House Youth Center, Lutheran Social Services, the YWCA Young Mothers program, the Human Development Center (HDC) and the Housing and Redevelopment Authority (HRA). Most of these agencies, except for Lutheran Social Services, YWCA and HDC also received CDBG and/or ESG funding from the City of Duluth in 2013.

## **Outreach**

Outreach activities in Duluth are funded through the Continuum of Care. Street outreach activities targeted and primarily singles and persons who are identified as chronically homeless are carried out by CHUM Shelter in partnership with the Duluth Police Department. The Human Development Center in Duluth provides outreach assistance targeted at mentally ill and chronic homeless. Outreach to homeless youth is carried out by Life House and Lutheran Social Services.

## **Chronic**

Homeless activities specific to chronically homeless are carried out by a number of housing and homeless service providers in Duluth, but activities are not funded under the City's ESG or CDBG programs. All new housing developments for homeless persons in Duluth include a number of units targeted specifically for the chronically homeless.

## **Prevention**

In 2013, City staff, along with ESG homeless service providers developed protocols and procedures for operation of the ESG Flex Fund to provide cash assistance to at-risk (and homeless) households in Duluth. Through that process, it was determined that 35% of the Flex Fund would be targeted for prevention (60% for rapid rehousing) and that families would be targeted above youth and singles and youth above singles. In addition to the ESG eligibility of 30% AMI, additional protocols were used to target households that were identified as having greater need based on a variety of risk factors associated with households experiencing homelessness for the first time. Homeless service providers use funds from the ESG Flex Fund to pay (in most cases) rent and utility arrears to help stabilize at-risk households. Along with cash assistance, households receive referral to mainstream and community resources and additional case management follow-up for up to six months. Agencies that provide prevention assistance include AICHO, CHUM, Life House, Safe Haven and Salvation Army. The City contracts with the Housing and Redevelopment Authority (HRA) to conduct program services such as making payments to landlords and utility companies and also to conduct inspections of ESG prevention and rapid re-housing units. During the 2013 program year, when the Flex Fund started in September 2013 through March 2014, a total of 65 persons (31 households) received prevention assistance. In addition to the ESG Program, the State of Minnesota also allocates funding for prevention and rapid rehousing assistance through the Family Homeless Prevention and Assistance Program (FHPAP). Funds are awarded through St. Louis County's Continuum of Care (CoC) process, using protocols and procedures established by the CoC's Homeless Response Committees and the St. Louis County Leadership Council and administered by St. Louis County Health and Human Services. Six agencies received FHPAP funds to provide prevention and rapid rehousing assistance to homeless families, youth and singles in Duluth. They include the American Indian Community Housing Organization (AICHO) who serves primarily Native American families and singles, Life House who serves youth between the ages of 16 and 23, Legal Aide of Northeast Minnesota, Safe Haven Shelter who serves women and their children who are fleeing domestic violence, and Salvation Army who serves families and singles. In 2013, these agencies received approximately \$175,000 and served more than 100 households.

## **Discharge Planning**

One of the goals outlined in the *SLC Ten-Year Plan to End Homelessness* was to establish uniform discharge protocols and procedures that prevent people who are being released from county institutions from being discharged into homelessness. An Adult Protocol Business Plan was completed in 2008. The discharge plan outlines transition process steps, based on an evidence-based model called Critical Time Intervention, a standardized assessment tool that is used by all discharging entities 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. The Discharge Plan also outlines the roles and responsibilities of the collaborative partner agencies, including coordination, information sharing, staffing patterns for institutional-based and community-based staff, and training. In 2010, St. Louis County received funding to conduct a pilot project with County correctional facilities to implement the discharge plan. Implementation of the project went well, but no new funds were allocated toward discharge planning activities once the pilot project ended. However, many of the established protocols implemented under the pilot continue to be used. No additional work has been done regarding discharge planning, however, discharge activities will be reviewed as the city and county work toward transitioning Duluth's homeless response system under the SLC Continuum of Care to align with the HEARTH Act goals.

### **HOME Program Homeless Projects**

The City of Duluth has funded a Tenant Based Rental Assistance (TBRA) Program with the Housing and Redevelopment Authority (HRA) since 2004. In the last several years, in conjunction with the St. Louis County Ten-Year Plan to End Homelessness, the City has targeted homeless populations—particular those hardest to house, for the TBRA housing vouchers. This allows those who have greater difficulty finding housing to be rapidly re-housed, allows participants the opportunity to improve their chances of eligibility for the Housing Choice (Section 8) Voucher Program, gives these families greater housing stability by being housed in the TBRA program while they are on the waiting list for a Housing Choice voucher and to move on to the HCV program once they complete their probation period or come to the top of the waiting list. During the 2013 program year, the city provided \$135,000 in HOME funds to the HRA for their TBRA program, which resulted in 35 households, 11 of which were identified as chronic homeless, to be stably housed through the provision of rental assistance vouchers. 24 of those households transitioned from the TBRA program to the Housing Choice Voucher program. All the households remain stably housed.

### **American Recovery Reinvestment Act**

#### **CDBG-R**

The Community Development Office received \$760,123 in American Recovery and Reinvestment Act (CDBG-R) funds and these projects have been expended in previous years except for sidewalk accessibility and sidewalk improvements.

#### Curb Ramp Accessibility

The remaining funds were awarded for sidewalks on East Superior Street between 19<sup>th</sup> Avenue West and 20<sup>th</sup> Avenue West in November, 2011. This project was completed on June 30, 2012. Construction of 16 curb ramp accessibility improvements at intersections

created a smooth surface for persons with mobility disabilities. This project is expanded from the original FY 2009 Annual Action Plan.

Americorps

No activity to report for 2013.

The CDBG-R grant was officially closed out with HUD on March 8, 2013.

**Homeless Prevention and Rapid Re-housing Program**

In 2008, the City of Duluth was awarded \$1.2 million dollars to assist homeless families, youth and singles to obtain housing and maintain housing stability, and to assist youth, families and singles who are imminently at risk of losing their housing to maintain and improve their housing stability.

In 2009, the City contracted with four agencies to provide Homeless Prevention and Rapid Re-housing Program (HPRP) assistance. The agencies providing HPRP services included: Churches United in Ministry (CHUM)—provided homeless case management and housing assistance to families and individuals staying in the congregate emergency shelter and the four family emergency shelter units; The Center for Alcohol and Drug Treatment—provided homeless case management, housing and financial assistance to homeless individuals exiting treatment facilities; Life House Youth Center—provided prevention case management and rapid re-housing assistance to homeless teens; and The Salvation Army—provided prevention case management assistance to homeless families and to provide housing specialist assistance and financial assistance to all HPRP participants needing such assistance.

The City of Duluth expended all HPRP funds and closed out the HPRP program on 6/3/13. During the time that HPRP assistance was available in Duluth, a total of \$1,162,800 was expended. This included \$692,404 in direct cash assistance (\$498,343.42 for homeless prevention and \$194,060.58 for homeless assistance) and

American Recovery Reinvestment Act Expenditure Activity				
HUD Code	Project	Priority	Allocated	Expended
03L	Sidewalks Accessibility & Sidewalk Improvements	High	\$427,876	\$427,876

\$389,000 in housing relocation and stabilization services (\$221,730 for homeless prevention and \$167,270 for homeless assistance), \$58,140 for program administration and \$23,256 for HMIS administration and reporting.

From October 2009, when the HPRP program was implemented in Duluth, until activities were completed in March 2012, the HPRP Program served 1,148 persons (584

households); 962 persons (482 households) were assisted through prevention and stabilization services and 186 (102 households) were assisted through rapid re-housing and stabilization services. Of the persons assisted through HPRP, 82% were reported to be stabilized in their housing after receiving housing assistance and follow-up services.

## Leveraged Community Development Resources

HUD requests that the City of Duluth outline other federal and non-federal funding sources accessed in 2013 which assisted the City and its partners to accomplish the community development and housing goals.

Community Development sub-recipients reported a total of \$24,729,411 in leveraged community development resources for 2013. The amount of expenditures in 2013 was \$3,835,568, which include \$2,914,452 in CDBG funds, \$696,230 in HOME Funds, and \$224,886 in ESG funds. This represents a nearly 1:6.4 leveraging of community development resources with other funding. Below is a breakdown of that funding by source:

Other federal funds (non-CDBG)	\$ 3,675,396
State/Local funds	\$12,148,159
Private funds (foundations/United Way, fundraising)	\$4,636,381
Other funds (fees/reimbursement)	<u>\$4,469,475</u>
TOTAL LEVERAGED FUNDS	\$24,729,411
TOTAL COMMUNITY DEVELOPMENT FUNDS (CDBG, HOME, ESGP)	<b><u>\$ 3,835,568</u></b>

The 2013 Action Plan estimated a potential leveraging of \$2,879,872 in Community Development funds with \$26,281,322 in other resources. This estimate translated into a 1:9.1 leveraging of Community Development funds.

## Loans and Other Receivables

For FY 2013, year-ending March 31, 2014

1. Float-funded activities outstanding as of the end of the reporting period:  
There were no "float-funded" activities in the FY 2013 program.
2. Total number of loans outstanding and principal balance owed as of the end of the reporting period:



Single-unit Housing rehab Revolving fund

Loans outstanding: 67

Principal balance: \$2,748,822

Program Income: \$30,501

Interest Earned: \$186

Single-unit housing rehab Deferred loans

Loans outstanding: 511

Principal Balance: \$7,794,618

Program Income: \$33,655

Interest Earned: \$ 0

Multi-unit housing rehab Revolving fund

Loans outstanding: 60

Principal Balance: \$1,034,840

Program Income: \$43,282

Interest Earned: \$106

Multi-Unit Housing rehab Deferred loans

Loans outstanding: 6

Principal Balance: \$991,920

Economic Development Revolving loans

Loans outstanding: 15

Principal Balance: \$175,489

Program Income: \$2,764

Interest Earned: \$32

3. Parcels acquired or improved with CDBG funds that are available for sale as of the end of the reporting period: There was no property sold during the program year
4. Number and amount of loans in default and for which the balance was forgiven or written off during the reporting period: There were no loan write-offs in program year FY 2013.
5. Lump sum drawdown agreement: There were no lump sum drawdowns during the FY 2013 program year.

## **Fair Housing**

Five years ago (2009), the Community Development staff reviewed and updated the 2004 Fair Housing Plan. The Analysis of Impediments to Fair Housing and Fair Housing

Plan was formally adopted by Duluth City Council on January 25, 2010 and incorporated into the 2010 to 2014 Consolidated Plan. An Action Plan for 2014 has been prepared and will be evaluated in the 2014 CAPER.

Outlined below are the goals and actions from the Fair Housing Plan addressed in Program Year 2013. The full and updated Analysis of Impediments to Fair Housing and Fair Housing Plan for Duluth is contained in the 2005-2009 Consolidated Plan as Appendix D.

During 2013, it became apparent that dissemination of fair housing information, as well as the education of the public, housing agencies, and rental property managers and owners is happening in new ways. Hard copies of booklets are distributed and training sessions still occur, but new methods, such as postings on web pages, broadcasts on public stations and the internet, and using mobile apps to file "real time" fair housing complaints are creating new opportunities to increase awareness and ensure compliance with fair housing laws.

### **IMPEDIMENT 1: LACK OF INFORMATION AND EDUCATION**

Housing providers and consumers must have a greater understanding of fair housing laws and regulations; in particular, a better understanding of the fair housing rights and responsibilities as they pertain to the rental housing market.

**Goal A: The City will actively market fair housing through a variety of marketing strategies and mediums to increase the level of knowledge and understanding about fair housing issues**

#### **2013 Actions Taken:**

1. The City of Duluth's Human Rights Office distributed brochures and posters at the meetings of the Human Rights and Disabilities Commissions; The Salvation Army; One Roof Community Housing; and throughout public buildings. The office also worked with PACT TV, to broadcast a public service announcement entitled "You + Fair Housing = A Better Community." Community Action Duluth hosted 12 "Common Cents: Money and Homebuyer Classes", where fair housing is a topic in each class and fair housing resources are distributed as part of the course curriculum. The HRA, Legal Aid, Indian Legal Aid, United Way's 2-1-1 Information line, Home Line, and The Salvation Army continued their efforts to provide fair housing information to tenants and landlords.

**Goal B: Disseminate general fair housing information to 1,000 tenants and landlords**

#### **2013 Actions Taken:**

1. The Housing Access Program (HAP) was a major player in Fair Housing activities within the City. On March 31, 2010, due to funding issues, they went out of business.

As such, 2011 through 2013 are seen as re-building years in terms of a single agency providing fair housing information. Given current availability of resources it does not seem likely that a single agency will be possible. It seems more likely that existing agencies will need to coordinate and cooperate in fair housing education and enforcement.

2. The Housing and Redevelopment Authority will continue to provide fair housing information in its packets to prospective tenants in public housing and persons who secure housing vouchers.

3. Activities by a variety of agencies in Duluth have worked to fill the gap created by the closing of the Housing Access Program. The Salvation Army continues to provide their "Rent Wise" classes. Community Action Duluth hosts financial and homebuyer classes, and informs attendees of their rights. The Affordable Housing Coalition, a group with representatives of housing agencies, service providers and non-profit developers, formed a new sub-committee specifically to address fair housing issues. Legal Aid provided training on "Legal Rights and Responsibilities and Community Resources for Landlords" in March 2014. They also held three trainings for tenants and addressed fair housing at each of these events. The City's Human Rights Officer attended a fair housing conference to held in Chicago, hosted by HUD's Region 5 office last spring.

4. The Community Development Office attends regularly the Affordable Housing Coalition meeting. The purpose of these meeting is to increase knowledge of programs, improve communication between agencies, and reduce duplication where possible. This collaboration of various housing providers has been working to restart the Housing Access Program to address issues related to fair housing.

**Goal E: Increase knowledge of fair housing regulations, in regard to accessibility and reasonable accommodations and visitability. For City Attorneys, public and private architects, buildings and contractors associated with CDBG and HOME housing projects.**

**2013 Actions Taken:**

1. The Human Rights Office is a point of contact for persons with disabilities who have conflict with their landlord. Often times a call from the Human Rights Office can be enough to educate landlords about ADA regulations that they are deficient in.

2. Community Development staff during annual monitoring reminds subrecipients of reasonable accommodation requirements. For public facilities projects, during planning meetings Community Development staff will provide reminders of ADA requirements. Many of the physical projects in recent years have had an accessibility component. For example, in 2013 the LIFELINE Building was funded for upgrades including providing a wider entryway to accommodate persons in wheel chairs.

## **IMPEDIMENT 2: HOUSING DISCRIMINATION AGAINST PROTECTED CLASSES**

When asked about housing discrimination, key informants and focus group participants agreed that illegal housing discrimination occurs in Duluth. Discrimination may occur unknowingly at times, or without knowledge of the legal ramifications that may result, or because enforcement through the state or federal process is difficult and time consuming, and therefore, not often pursued, or because it commonly occurs in one's life experience and becomes accepted behavior. Regardless of why, how or where discrimination occurs, activities that discriminate against the more vulnerable of our population, against people protected under the Fair Housing Act, is an impediment to fair and equal housing choice. It is illegal and acting in accordance with the fair housing law is the responsibility of all citizens.

**Goal A: Initiate and disseminate procedures for processing Fair Housing discrimination complaints through the City's Human Rights Office.**

### **2013 Actions Taken:**

1. There is a standard procedure for intake which the Human Rights Office prescribes to. A form, available online and in city hall, is completed which explains and documents the possible infraction. The Human Rights Officer then conducts a preliminary investigation to determine if the complaint is sufficient to send to the Department of Housing and Urban Development. During the program year, the Office received three housing complaints. Two were investigated by the Human Rights Officer, and the second resulted in an ADA referral. The office regularly provide referrals to the HUD's Region 5 Fair Housing complaint line at 1-800-765-9372, and/or to Legal Aid at 218-623-8100. Community Action Duluth's housing counselors and advocates provide assistance with housing discrimination issues on a case-by-case basis. Legal Aid seeks reasonable accommodations for individuals and families at-risk of losing their housing or being denied housing for reasons related to disabilities. They handled at least 100 cases during the past year.

## **IMPEDIMENT 4: HOUSING CODE ENFORCEMENT**

Poor quality, substandard housing, a number of absentee or other landlords who do not properly maintain property, and the inability of tenants to hold landlords accountable for maintenance of rental properties were identified as impediments to fair housing by a number of focus group participants.

**Goal A: Expand the capacity and effectiveness of the Building Safety and Inspection office through the development or purchase of permitting/licensing/inspection computer program. The new system will be used to improve the Department's ability to collect, store and retrieve**

**information relating to rental property licensing, permitting and inspection, to include the number and nature of code violation complaints, citations, corrective actions and successful completion of repairs.**

**2013 Actions Taken:**

1. In 2013 the Building Safety and Inspection completed enough inspections to completely eliminate the previous years backlog. The inspectors are back on to a three year inspection cycle for all rental properties. The department is in works to switch their permitting system to a more comprehensive city wide system of permitting which in years to come will provide better access and usability for Building Safety and Inspections and other City departments.

**Goal C: Reduce the number of rental properties being condemned due to lack of repair and maintenance of the building, which will result in reducing the number of tenants being displaced due to condemnation of substandard rental properties.**

**2013 Actions Taken:**

1. In 2013 the Community Development Division funded the Housing and Redevelopment Authority to administer a Multifamily rehab program. This program was designed to provide landlords the means to update rental properties providing more affordable and decent rental housing options for Duluth's citizens.

**Consistency of Consolidated Plan Priorities with Investment of CDBG Funds**

This section of the report focuses on consistency of the City's funding allocation with the priorities of the Consolidated Plan, meaning whether we have funded the community's "High" priority areas and whether we have been able to fund any "Medium" priority areas after working on the High priority activities. Also, this section addresses how well the program is doing to access all other possible resources that are consistent with the Consolidated Plan.

Consistency of Consolidated Plan Priorities with Investment of CDBG Funds

In the 2013 allocation process, the CD Committee established funding priorities that included distribution goals. These percentage ranges, or goals, were employed to guide investment decisions and further the overall Consolidated Plan goals and priorities.

Those funding goals were:

	<u>Goal Percentage</u>	<u>Allocation Percentage</u>
Housing	30	32.5
Economic Development	15	15.3
Public Facility Improvements	20	17.2
Public Services	15	15.0

Affordable Housing was the highest priority in the 2010-2014 Consolidated Plan. The Committee has concern about the lack of housing units that are affordable for low and moderate income households, and about Duluth's old housing stock in comparison to other communities and wants to address these issues. This was the rationale for continuing to allocate a highest percentage of CDBG funds to the housing category. With the implementation, and the CD Committee's continued support for the Duluth at Work Program, the Economic Development category was again funded near the amount allocated last year. The amount allocated for the Public Facilities category decreased slightly from the goal because fewer projects were deemed to be 'ready' and would not likely be ready during the 2013 program year. Two projects that were funded included emergency shelter units for homeless families as part of an larger housing project that will create 44 units of permanent supportive housing, and the other project funded was making improvements to the building that houses the Life House Youth Center for homeless and at-risk youth and 6 units of Transitional Housing for Homeless teens. Finally, the committee continued funding for high priority public services projects at the maximum percentage allowed.

Assessment of accomplishments from the four years completed under the 2010-2014 Consolidated Plan shows that all the High Priority Needs identified in the Plan have been funded.

A list of Duluth projects that submitted applications to the 2013 HUD SuperNOFA that were certified as consistent with Duluth's Consolidated Plan include services provided for the Gimaaajii Mino Bimaadiziyann project, Oshki Transitional Housing, Alicia's Place, New San Marco, Veterans' Place and SIL House, Memorial Park Apartments, and Catherine Booth Transitional Housing and Center City Family Transitional Housing.

In addition, four applications for other Federal Programs were certified as consistent with the Consolidated Plan.

<b><u>Priority Community Development Need</u></b>	<b><u>Priority Need Level</u></b>	<b><u>Accomplished By</u></b>	<b><u>Project/Program</u></b>
Public Housing	High	Duluth HRA	PHA – Plan
Home Ownership	High	Community Action Duluth	Housing Counseling, Education, and Matched Savings
Lead-based Paint	High	City/HRA/ALA	Duluth Healthy Homes Partnership
Permanent Supportive Housing	High	CCHC/One Roof	Supportive Housing for Homeless Families
Permanent Supportive Housing	High	Benedictine Health Center	Supportive Housing for Homeless Families

## One-for-One Replacement/Displacement

The City of Duluth has a policy of minimizing displacement if at all possible. The requirements of the Uniform Relocation Act and Section 104(d) are included in all City contracts that may result in the need for relocation assistance. City staff evaluates all funded projects to determine if occupied properties will be covered, approves any needed relocation plans, and monitors grantees to ensure compliance.

There were no relocations triggered by the HRC's rental and homeowner housing rehab and lead remediation programs, or One Roof's acquisition, rehab and resale programs.

The supportive housing project for chronically homeless families, called the Steve O'Neil Apartments (formerly Hillside Apartment), is currently under construction. As reported in last year's CAPER, this project did result in the demolition of occupied properties in the Central Hillside neighborhood in the summer of 2013. On March 8, 2011, the Duluth HRA provided General Information Notices to tenants of rental units and businesses that they may be displaced by the project. During 2012, the Duluth HRA provided relocation assistance to 11 households made up of 19 individuals; and one business was relocated, Twin Ports Upholstery.

A one-for-one replacement plan for the O'Neil Apartments was made public on March 15, 2013, related to the scheduled demolition of five properties that include 22 rental units. Of these units, five had rents above the HUD determined Fair Market Rent (FMR), and are therefore not considered affordable. The remaining 17 affordable units must be replaced. The affordable units consist of nine 1-bedroom units; two 2-bedroom units; and six 3-bedroom units. When completed, O'Neil Apartments will have 44 units. The replacement units will consist of six 1-bedroom units; five 2-bedroom units; and six 3-bedroom units. The additional 27 new units will be available as replacement units for any loss of affordable housing for the next two years. The replacement plan has been approved by the Minneapolis HUD office.

## Program Assessment

FY 2013 Performance Outcomes

	Accessible		Affordable		Sustainable	
	Projected	Actual	Projected	Actual	Projected	Actual
Decent Housing	4951	4108	183	133	-	-
Sustainable Living Environment	22220	19991	0	18	2	1
Economic Opportunity	41	39	-	-	-	-



This table shows the City's performance outcomes in the three areas of Decent Housing, Economic Opportunity and Sustainable Living Environment with the outcomes of improving accessibility, increasing affordability and creating sustainability. The 2013 performance results show that in the area of Decent Housing improving accessibility was below the projected amount due to the overstated goal for the new "Coordinated Assessment" process for addressing homeless housing, which includes transitional and shelter housing. In the area of increasing affordability the actual output lags behind the projections due to the length of time that housing rehabilitation takes in our community. Under the performance category of Economic Opportunity improving accessibility was slightly below the projected amount, but showing signs of success and a recovering economy. The performance category of Sustainable Living Environment, improving accessibility, was below the projected numbers due to the completion of renovations with the soup kitchen facilities that affected service.

### **Strategy Adjustment or Program Retooling**

#### Affordable Housing

Plans to create the Housing Resource Connection, with co-located offices, shared resources, common intake and eligibility determination were implemented. The Duluth Housing Authority, Arrowhead Economic Opportunity Agency, One Roof Community Housing, Community Development have invested time and resources in to this collaboration. Interested homeowners and buyers will be able to start the process online or at any of the housing agencies. Outreach to property owners and homebuyers will occur using joint marketing under a unified identity for the new Housing Resource Connection. The collaboration has been incorporating other funding sources to meet the community's needs. This effort has been very successful in securing additional funds for the community.

#### Economic Development

The Community Development Division participated in the RFQ/RFP process for developing an Economic Development Plan for the City of Duluth. The plan will identify the business needs for new companies as well as current employers. From this plan the City will work with our economic development to develop and implement solutions. Those needs include sites, business tools and a trained workforce. The Community Development program continues to implement the Duluth At Work initiative in cooperation with the Local Initiatives Support Corporation (LISC) and the Duluth Workforce Center. This program focuses on investing in people through employment training and skill development, not business incentives. The initiative has a simple goal of increasing household or business incomes and assets by 25% over a three-year period. The objective is to assist people in gaining employment opportunities, through skill development, to access jobs that will assist them with a way out of poverty and toward economic stabilization. A current trend and need for employers is in the construction and trade industry. The City will be working through their partners and the Workforce Center to further initiatives that will assist with getting low to moderate

income persons into training and apprenticeship programs. The program also provides business owners with technical assistance to increase business viability that will lead to job creation and growth with the Community Development Target Areas over a two year period.

### Public Facilities

The City is re-examining our street investment strategies in light of recent funding reductions, the flood event and continuing deterioration of aging infrastructure. It is anticipated that CDBG funds will be a part of the solution and strategies. We continue to focus investments on ensuring that "Neighborhood Facilities," which deliver much needed public services, i.e., meals programs or food shelves, are handicapped accessible and up to date. Also, the Community Development program will focus some efforts on providing improvements that increase energy efficiency in those facilities.

### Public Services

These programs and agencies have been dramatically affected by both state and federal reductions which are directly impacting the operation of vital services for the lowest income individuals within the community. This upcoming program year will again require the City to refocus the priorities to meet the most crucial needs of low income individuals. A key strategy for implementing program efficiency will be to promote collaborations among homeless service providers. The City will be working with the Continuum of Care and St. Louis County to begin initiating a "Coordinated Assessment and Intake" process to further collaboration and achieve program efficiencies. The City of Duluth is not focusing CDBG funds towards youth programming, primarily because the City has other funding that it is now contributing towards youth programming.

Overall, the services in the Community Development program are achieving good outcomes, and have now been doing so by seeking ways to achieve greater efficiencies; however, more collaboration could lead to more efficiency. The community has had to make undesirable choices in order to preserve the vital services that are essential to persons with low and moderate incomes in Duluth. The public services program continues to be retooled in order to prioritize services that are efficient and achieve the best results.

## **Monitoring**

Each community development project is monitored annually, either through an on-site inspection and review of client records or through a program desk-monitoring. In 2013, Community Development staff conducted on-site monitoring visits for twelve community development projects and conducted fourteen desk monitorings. Annually, a financial monitoring is conducted on programs that administer revolving loan funds on behalf of

the City. At the onsite visits, staff verify that program activities are meeting a national objective and that funds are being expended appropriately on eligible activities. All CDBG, HOME and ESG funded programs receive this type of monitoring based upon a risk assessment.

The following is a summary of any program findings, or concerns which may lead to findings, for the FY 2013 program year activities. Those activities/projects not listed have met both the required national objective and eligible activity expenditure tests.

## **HOUSING DEVELOPMENT**

### **Community Action Duluth-Individual Development Accounts (IDA)**

#### **13-HS-02**

Community Action Duluth (CAD) assists low-and-moderate-income first-time homebuyers by providing matched savings, housing counseling, financial education and down payment assistance.

#### Concern #1.

At the end of the 2013 program year, CAD staff met with the Community Development Manager and program staff to discuss concerns about not meeting program goals for the past four years. The IDA program assists people to purchase a home by using CDBG funds to match the savings deposited in program participants' savings accounts at the time that they are ready to purchase the home. The first year the IDA Program was funded under the 2010-2014 Consolidated Plan was 2010. That year, the goal was that 13 households would purchase homes over a three year period. To date, 9 households have purchased homes. In 2011 the program goal was 8; to date, 3 households have purchased homes. In 2012 the program goal was 11; only 1 household has purchased a home. In 2013 the program was 11; to date no households have purchased homes. CAD did not receive funding in 2014 for the IDA program. Because the program is not funded in 2014, and because it has had difficulty meeting its 2010 and 2011 goals, CD staff met with them to discuss a plan that outlines activity to be continued to allow current savers to complete the program and purchase a home with CDBG assistance, a process for moving unspent funds from previous years to assist savers in more recent years, an accounting of funds from past years, closeout of the 2010 program year, and an accounting of any CDBG funds from previous years that may have to be returned to the City.

## **Economic Development**

### **Community Action Duluth – Circles of Support 13-ED-05**

Community Action Duluth Circles of Support was funded under the Duluth At Work program to assist people with getting training and securing employment and then increasing their income by 25% over three years.

#### Concern #1

In 2013, CAD had two quarters where requests for funds were late. In one instance the request was 3 weeks late. Agency staff cited financial staff turnover as the reason for not completing the requests on time. Community Development staff recommended the lead program staff to work jointly with the financial staff on each payment request.

## **PUBLIC SERVICES**

### **American Indian Community Housing Organization (AICHO) Transitional and Permanent Supportive Housing Programs**

#### **13-PS-08**

AICHO provide 5 units of transitional and 29 units of permanent housing and supportive services for homeless and formerly homeless individuals and families.

#### Finding #1:

On April 11, 2014, City of Duluth financial and program staff conducted a financial audit of the AICHO operations. This audit was in response to weaknesses and findings identified in the 2012 and 2011 Financial Audits that were submitted to the City. When City staff met with AICHO, their Interim Director attributed issues from past audits to change in staff, new procedures, and new computer software that she said had either been implemented or were being implemented that would address the issues identified in the 2011 and 2012 audits. The city had suspended payments to AICHO until they addressed some of these concerns, but later released funds held by the City.

## **CDBG Target Areas**

The City continued to locally designate CDBG-eligible "Target Areas" citywide (See maps following pages). Each Target Area was comprised of groups of census tracts or census block groups in which at least 51% of the residents had low to moderate incomes by HUD's Annual Income Guidelines. All CDBG Target Areas were eligible for "area-benefit" projects and were priority areas for "citywide" programs.

The CDBG Target Areas include the following areas:

Census Tracts 37 & 38-3 - Morgan Park, Gary, Fond du Lac

Census Tracts 30-1, 31-4, 32, 33, 34-1 - West Duluth

Census Tracts 24, 25, 26, 27 & 28 - Lincoln Park

Census Tract 3-4 - Duluth Heights

Census Tracts 9-4, 16, 18, 19, & 20 - Central Hillside

Census Tracts 12, 13 & 17 - East Hillside

Census Tract 14 – Endion

While these target areas have been the primary focus of the City's physical improvement projects and housing activities in past years, the Community Development office has partnered with the At Home in Duluth collaborative to engage neighborhoods to re-examine revitalization focus areas. As a result of that process, each of the City's Core Neighborhoods have defined smaller geographic target areas to develop a more focused approach to targeting resources.

(See following maps.)

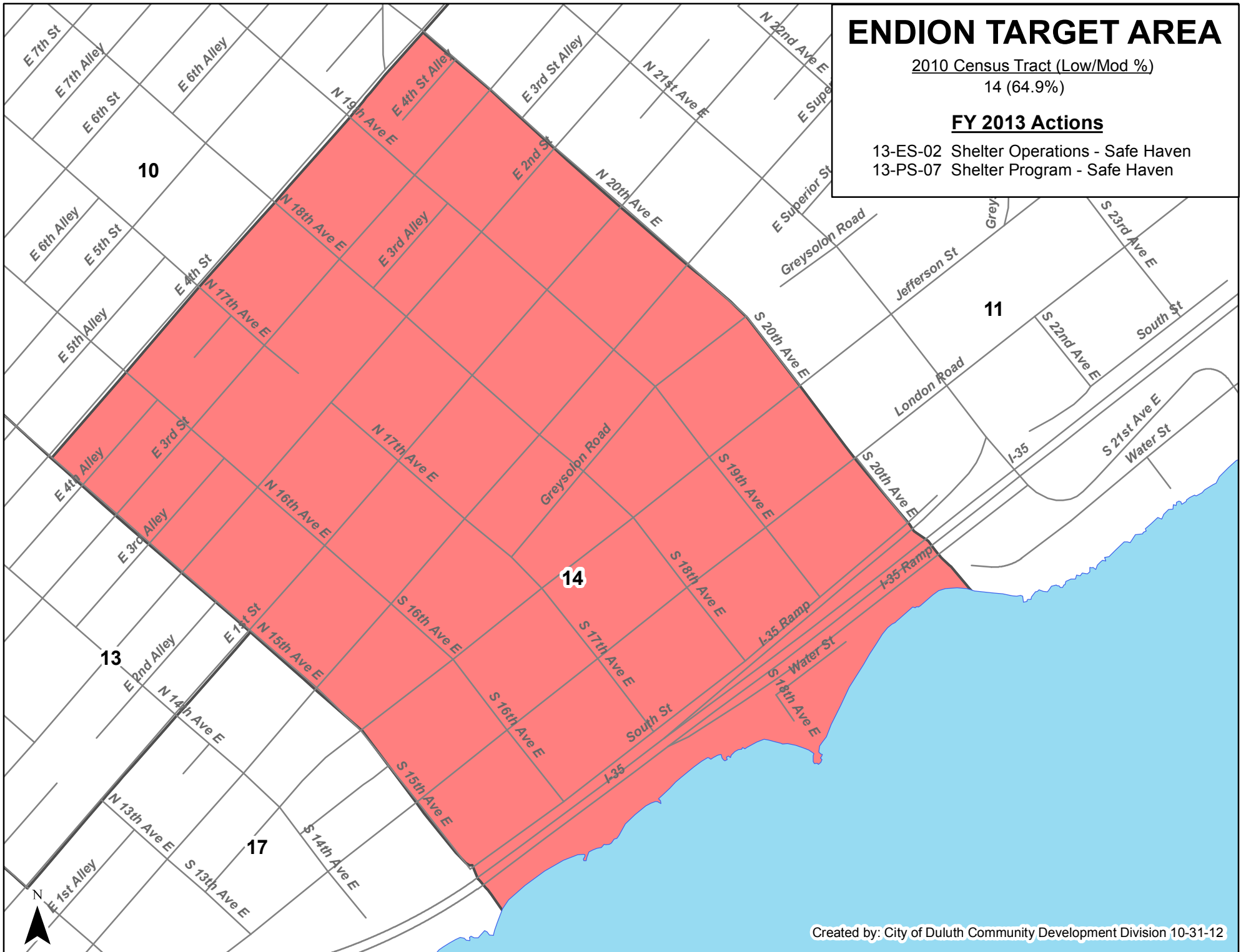
# ENDION TARGET AREA

2010 Census Tract (Low/Mod %)

14 (64.9%)

## FY 2013 Actions

- 13-ES-02 Shelter Operations - Safe Haven
- 13-PS-07 Shelter Program - Safe Haven



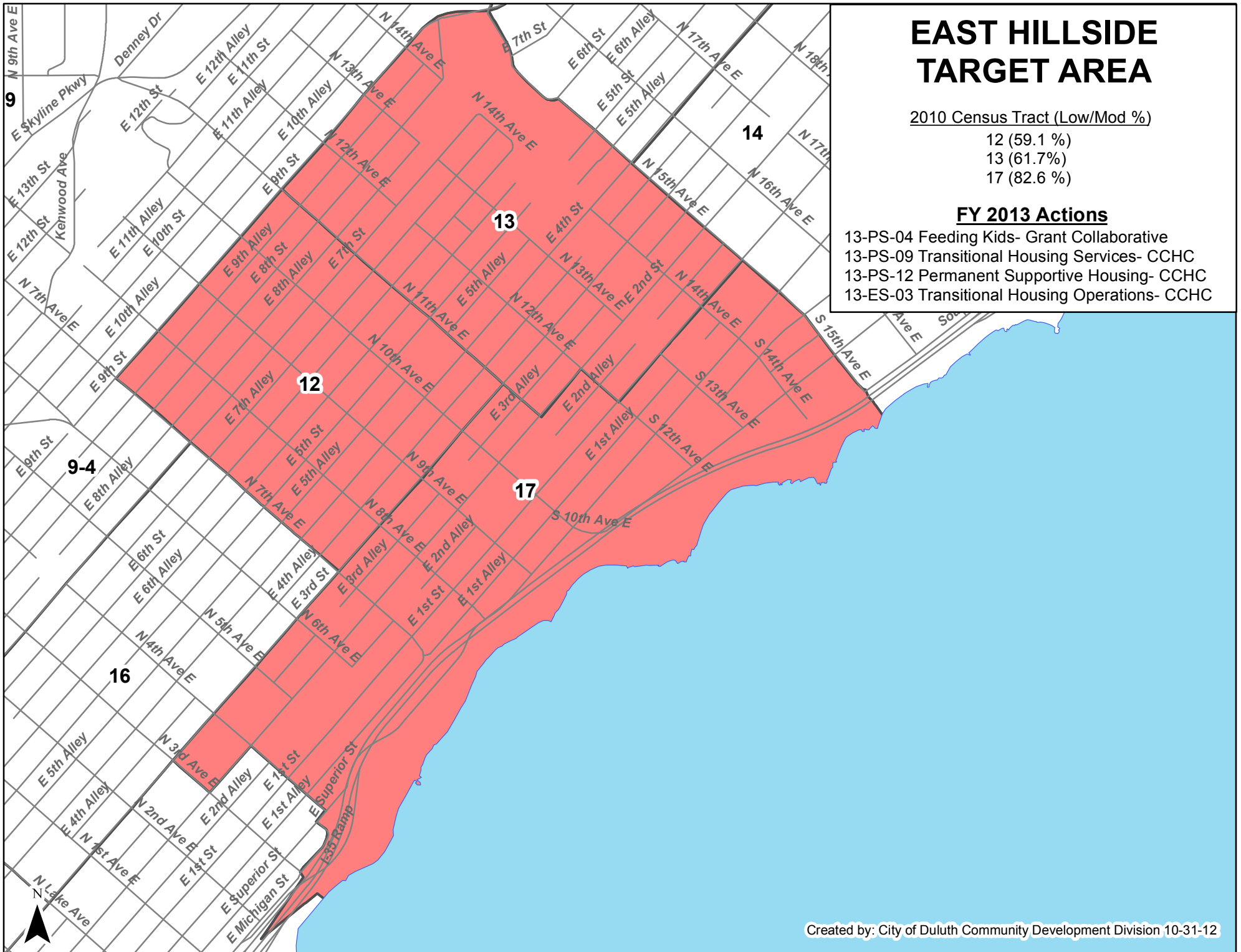
# EAST HILLSIDE TARGET AREA

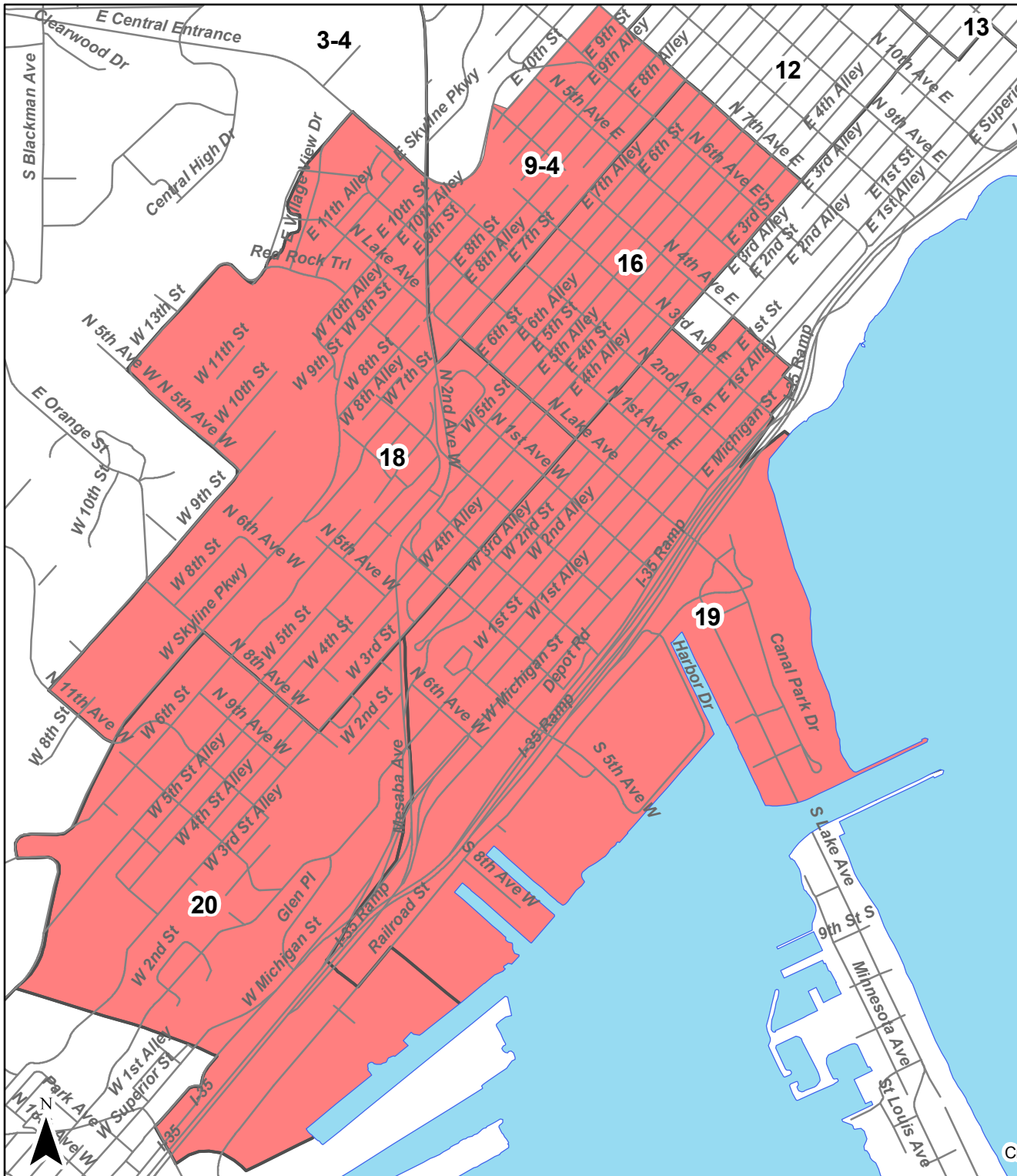
## 2010 Census Tract (Low/Mod %)

12 (59.1 %)  
13 (61.7%)  
17 (82.6 %)

## FY 2013 Actions

- 13-PS-04 Feeding Kids- Grant Collaborative
- 13-PS-09 Transitional Housing Services- CCHC
- 13-PS-12 Permanent Supportive Housing- CCHC
- 13-ES-03 Transitional Housing Operations- CCHC





# CENTRAL HILLSIDE TARGET AREA

## 2010 Census Tract (Low/Mod %)

- 9-4 (51.7%)
- 16 (75.4%)
- 18 (72.1%)
- 19 (91.1%)
- 20 (52.0%)

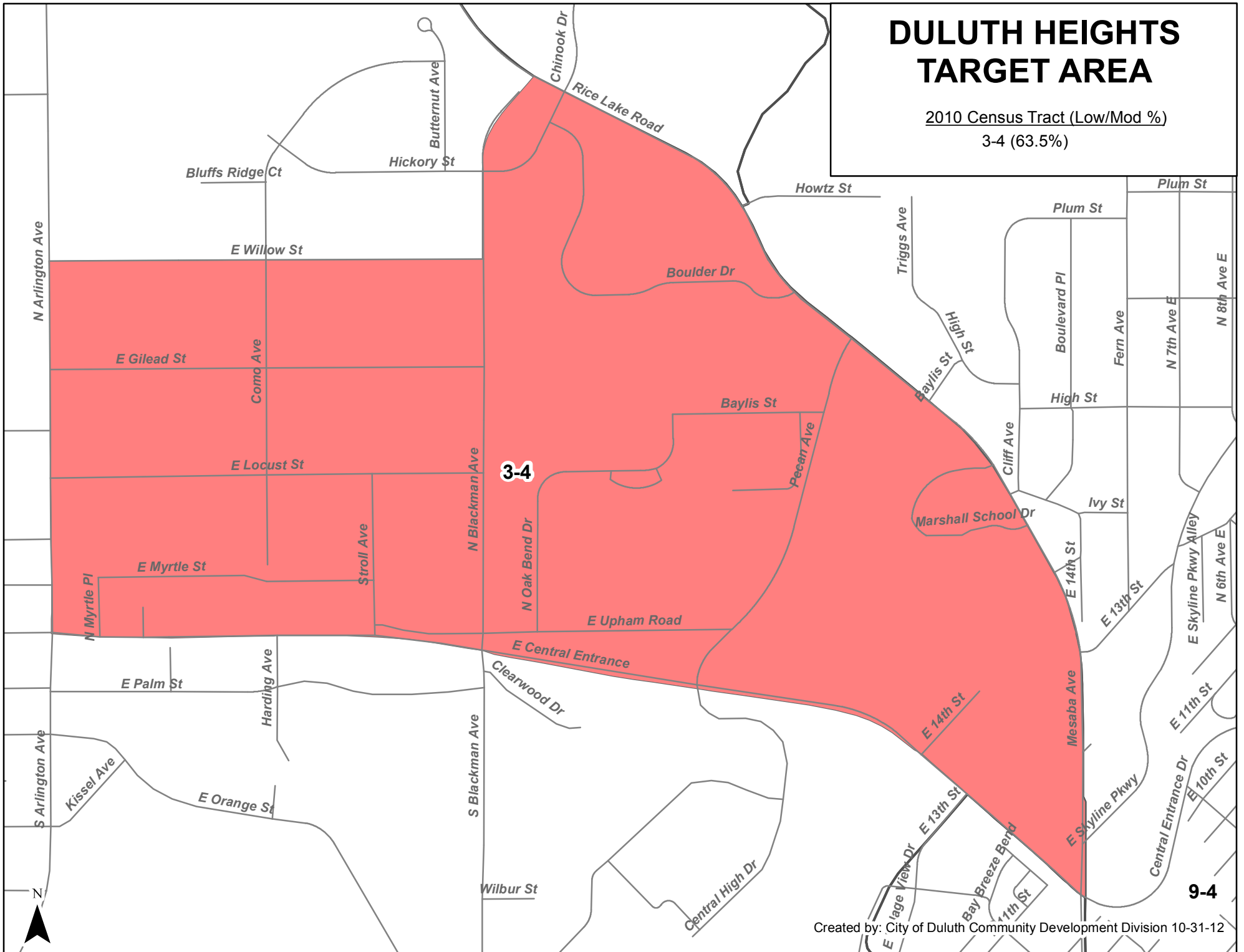
## FY 2013 Actions

- 13-CD-01 Housing Predevelopment- CCHC
- 13-HM-01 Homeless Rental Assist- HRA
- 13-HS-01 Housing Resource Connection- HRA/One Roof
- 13-HS-04/13-PF-01 Hillside Apartments- One Roof
- 13-ED-01 SOAR Duluth At Work- SOAR
- 13-ED-02 Support Services for Employment- CHUM
- 13-ED-03 Growing Neighborhood Businesses- Entrepreneur Fund
- 13-ED-04 Futures Program- Life House
- 13-PF-03 LIFELINE Building- Life House
- 13-PS-01 Hunger Project- CHUM/Damiano/UGM
- 13-PS-03 Clothes That Work/Social Serv- Damiano
- 13-PS-04 Feeding Kids- YMCA
- 13-PS-05 Basic Needs Homeless Youth- Life House
- 13-PS-06 Homeless Stabilization Services- CHUM
- 13-PS-08 Transitional/Perm Support Hsg- AICHO
- 13-ES-01 CHUM Emergency Shelter Op- CHUM



# DULUTH HEIGHTS TARGET AREA

2010 Census Tract (Low/Mod %)  
3-4 (63.5%)



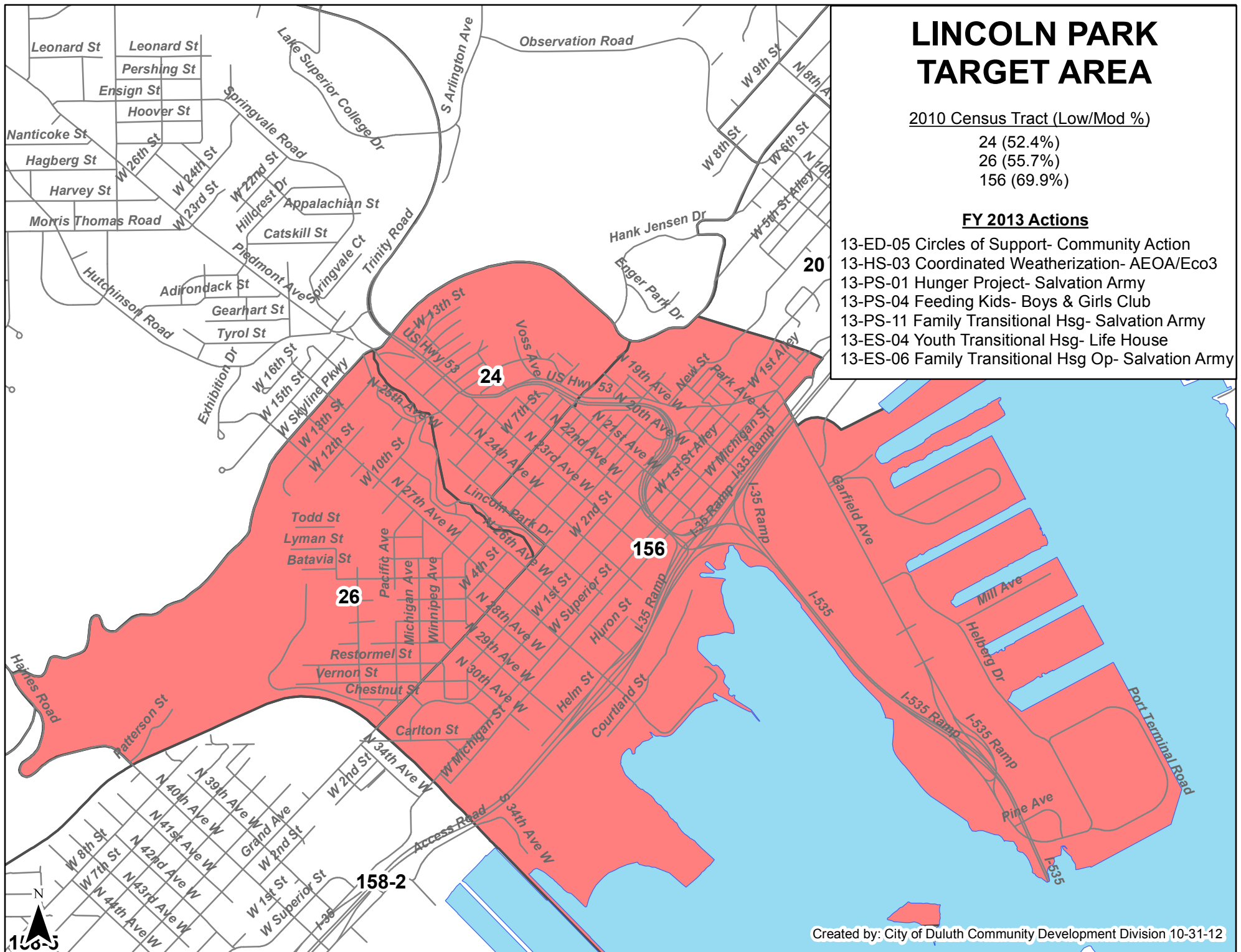
# LINCOLN PARK TARGET AREA

## 2010 Census Tract (Low/Mod %)

24 (52.4%)  
26 (55.7%)  
156 (69.9%)

## FY 2013 Actions

- 13-ED-05 Circles of Support- Community Action
- 13-HS-03 Coordinated Weatherization- AEOA/Eco3
- 13-PS-01 Hunger Project- Salvation Army
- 13-PS-04 Feeding Kids- Boys & Girls Club
- 13-PS-11 Family Transitional Hsg- Salvation Army
- 13-ES-04 Youth Transitional Hsg- Life House
- 13-ES-06 Family Transitional Hsg Op- Salvation Army



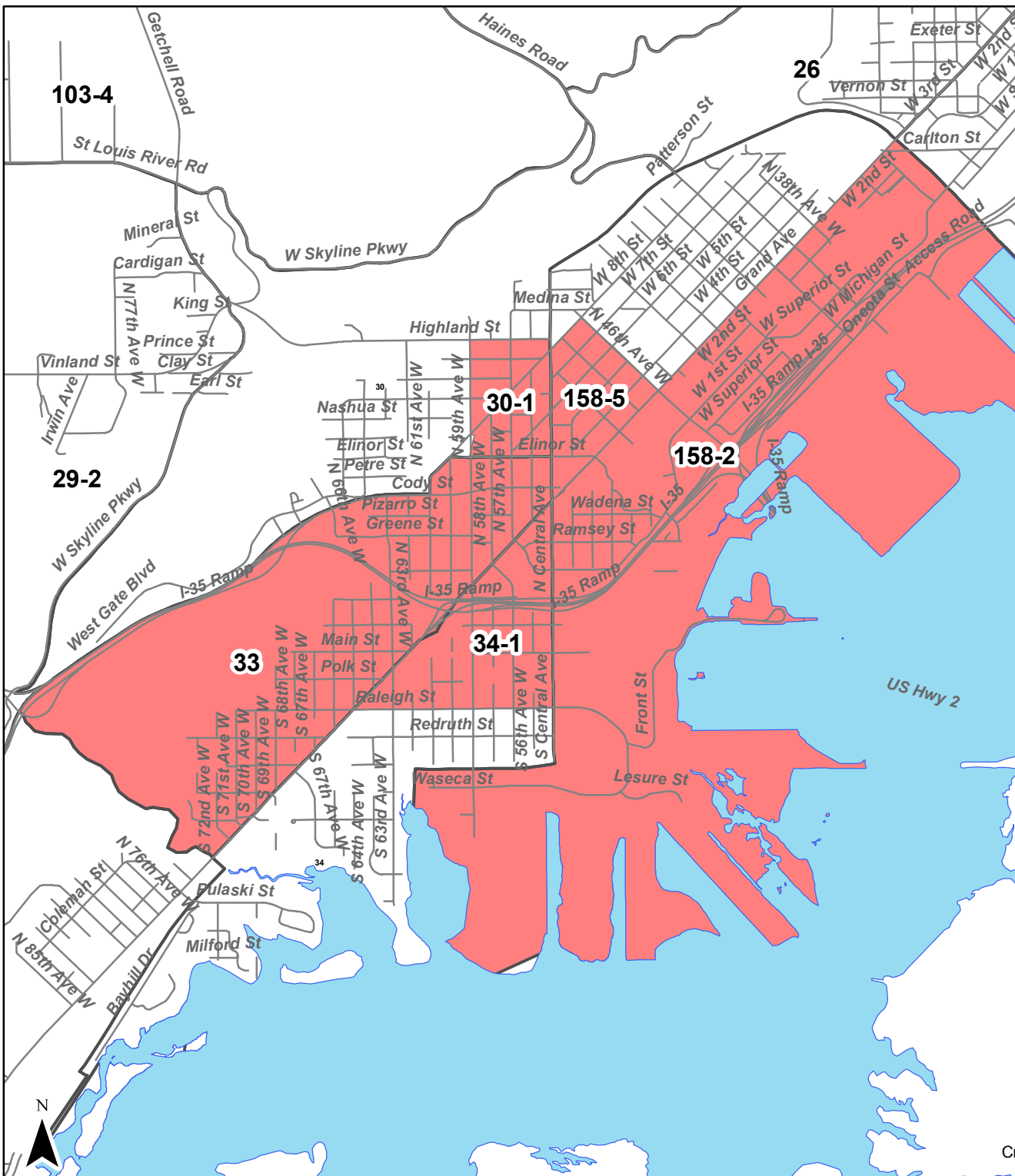
# WEST DULUTH TARGET AREA

## 2010 Census Tract (Low/Mod %)

- 30-1 (62.8%)
- 33 (54.0%)
- 34-1 (66.3%)
- 158-2 (70.7%)
- 158-5 (51.2%)

## FY 2013 Actions

- 13-PS-02 Primary Health Care- LSCHC
- 13-PS-05 Feeding Kids- Copeland Valley
- 13-PS-10 Services for Homeless Veterans- MACV
- 13-ES-05 Transitional Housing Operations- MACV

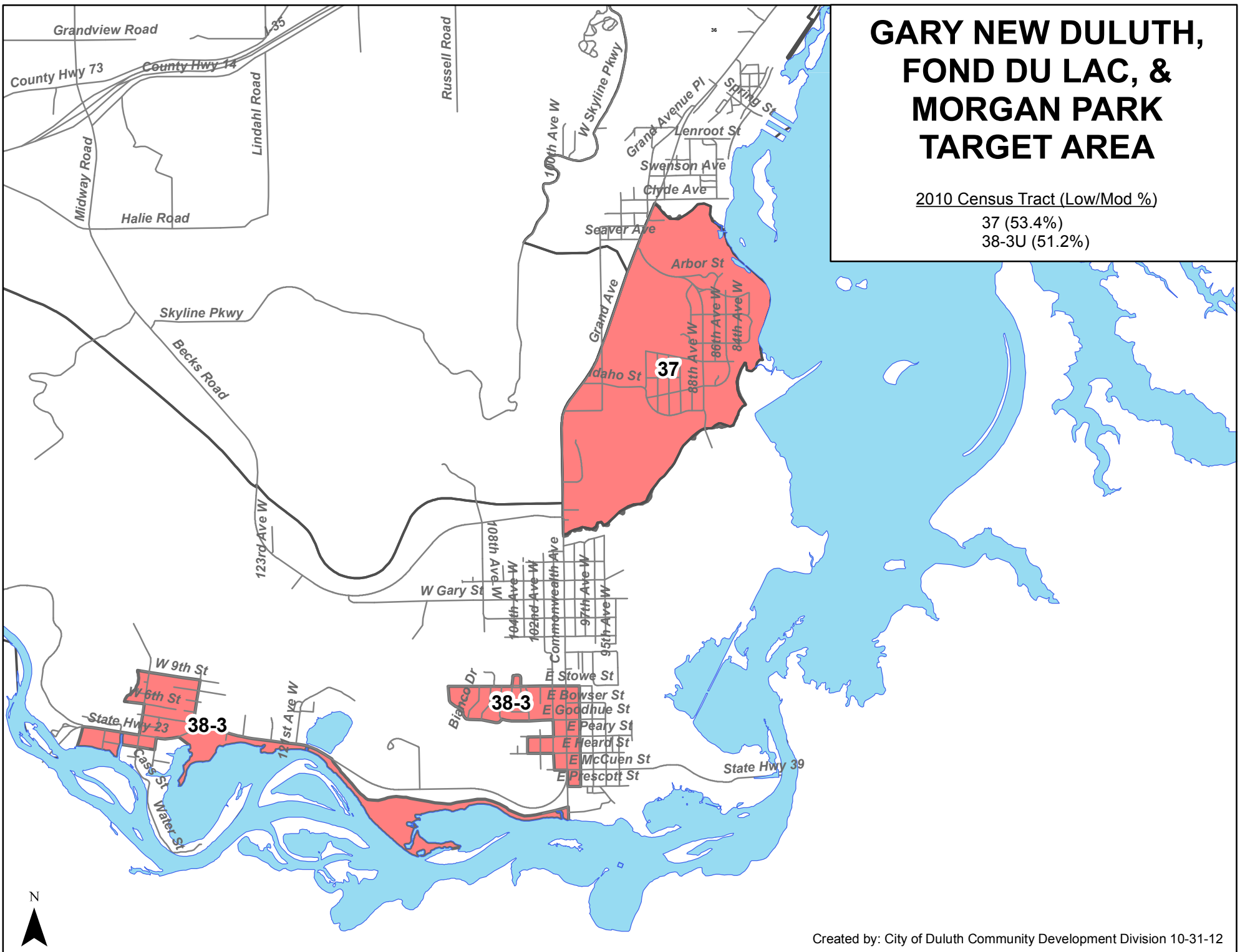


# GARY NEW DULUTH, FOND DU LAC, & MORGAN PARK TARGET AREA

2010 Census Tract (Low/Mod %)

37 (53.4%)

38-3U (51.2%)



## **Outreach Initiatives to Include Underserved Populations in Target Areas**

During 2013, the Community Development Division worked to increase participation of under-served populations through enhanced outreach. Listed below is a summary of the activities.

1. The Community Development program public hearing dates, comment periods, and important steps in the Consolidated Plan development process were advertised in the Duluth News-Tribune and on the City website. Under-served populations have access to the website through free computer use at the Duluth Public Library and its two branch locations and at the Community Action Duluth facility.
2. Held two neighborhood forums on Community Development and Housing needs. The forums were conducted on May 14 (West Duluth) and on May 16 (Central Hillside). The neighborhood forums were geared to making the hearings less intimidating to individuals.
3. Held an on-line forum from May 13 to 24. During this time, different questions about housing, economic development, public facilities and services were asked. The responses from this on-line forum and responses from the neighborhood forums were posted on the website.
4. The Duluth Community Development Division is a core group partner of the "Creating Neighborhoods That Work At Home in Duluth." This partnership has provided several venues for outreach to under-served populations in target areas. The city continues to work to implement these plans that were created for each neighborhood.

## Summary of Citizen Comments

Consistent with federal regulations, the City of Duluth conducted a 15-day public comment period on the 2013 Consolidated Annual Performance and Evaluation Report. The comment period was June 13 - 27, 2014. This was advertised in the Duluth News-Tribune, and announced at community meetings and on the city's webpage. Copies of the document were available to the public at the Community Development office, the City Clerk's office, the Duluth Public Library and all branch libraries and on the City's website. The Community Development Committee also held a public hearing on the CAPER and activity performance towards Consolidated Plan goals on June 24, 2014.

The following correspondence was received during the 15-day public comment period:

- *No correspondence was received during the comment period.*

The following is the public hearing and comment period advertisement and meeting summary of the Community Development Committee.



## **Notice of Public Comment Period on the City of Duluth's 2013 Consolidated Annual Performance and Evaluation Report (CAPER) and Community Development Monitoring Public Hearing**

The City of Duluth's Community Development Division announces a 15-day comment period on its 2013 Consolidated Annual Performance and Evaluation Report, prior to the submission of the report to the U.S. Department of Housing and Urban Development (HUD). The public comment period is Friday, June 13 to Friday, June 27.

The Consolidated Plan is both a planning document and application for funding through the Community Development Block Grant (CDBG) program, HOME Investment Partnerships Program (HOME) and the Emergency Shelter Grant Program (ESGP). It describes the community's needs, specific goals and objectives that are designed to achieve the community vision. The 2013 Performance Report will summarize the annual and five-year accomplishments and assess progress toward meeting the vision in the Plan.

Duluth's Consolidated Plan has the following three goals against which an assessment of performance in the City's previous fiscal year will be summarized: 1) An adequate supply of quality housing so that safe, affordable and appropriate housing opportunities are available for all Duluthians; 2) Quality, stable neighborhoods for Duluth's citizens; and 3) Creation and preservation of employment opportunities in the City across the entire spectrum of job skills.

**Copies of the 2013 Consolidated Annual Performance and Evaluation Report will be available beginning June 13 at the City of Duluth Community Development Office (Room 407, City Hall), the City Clerk's office (Room 302), on the City's web site, and at the Duluth Public Library and all branches.**

**Comments may be mailed, faxed or transmitted via E-mail. For more information or to receive a copy of the report, contact the Community Development Division, Room 407 City Hall, Duluth, MN 55802. Phone: 730-5480. Fax: 730-5915. E-mail: [duluthcommdev@duluthmn.gov](mailto:duluthcommdev@duluthmn.gov)**

Also, a public hearing (conducted by the Community Development Committee), will be held to review the activities and progress of current recipients of CDBG, HOME and ESGP funding. The Consolidated Annual Performance and Evaluation Report (CAPER) will be reviewed at the public hearing. This is an opportunity to come and find out about the program or to ask any questions about activity accomplishments.

**Tuesday, June 24, 2013 – 5:30 p.m.  
Duluth City Council Chambers  
Third Floor, City Hall - 411 West First Street**

The public is strongly encouraged to attend this important public hearing. Committees making decisions on this funding need to hear from the general public, especially from these programs' beneficiaries - persons with low and moderate incomes, persons of color and persons with disabilities.

If you have special needs, such as an interpreter, please contact the Community Development Division at 730-5480 so that your needs can be accommodated. For hearing impaired persons please call the City's TTY/Information Assistance at 730-5000 or the Minnesota Relay Service at 1-800-627-3529.

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**Large Display Legal Ad - Duluth News Tribune – Friday, June 13, 2014**



**MEETING SUMMARY OF THE  
COMMUNITY DEVELOPMENT COMMITTEE (CDC) MEETING  
TUESDAY, JUNE 24, 2014 – 5:30 P.M.  
COUNCIL CHAMBERS- THIRD FLOOR- CITY HALL**

**Present:** Barbara Carr, Randy Brody, Debra Branley, Harrison Dudley, Reyna Crow, Hamilton Smith

**Absent:** Justin Perpich, Kristi Gordon

**Others Present:** See attached list.

**Staff:** Keith Hamre, Karen Olesen, Char McLennan, Mike Palermo, and Suzanne Kelley

1. Introductions, Roll Call and Hearing Notice
  - a. Carr called the meeting to order at 5:35 PM. A Quorum was present.
  - b. Carr asked if anyone wanted to speak about an item that was not on the agenda. No one requested to speak.
  
2. FY-2013 Performance Interviews
 

Keith Harme explained the meeting format. The Committee Members and the agencies have received the FY 2013 Outcome Report. Each agency would have three minutes to respond to the following three questions:

  - a. How did you do in meeting your goal?
  - b. How did you do in meeting your outcomes?
  - c. Any monitoring issues/questions?

During the presentation, Keith told the Committee that the information for AICHO was incorrect and that AICHO did exceed their benchmark goals in both programs.

<b>Agency</b>	<b>Program</b>	<b>Speaker</b>	<b>Comments</b>
Duluth HRA	Duluth Property Rehab Program/Lateral Lines/Housing Resource Connection	Lynne Snyder	On track to exceed goal, have good staff, outcomes have been met, no monitoring concerns.
Eco3/AEOA	Coordinated Weatherization	Jodi Slick and Dave Johnson	Contract extended due to winter

	Program		conditions, have now exceeded goal. Are producing utility savings. Question on reasonable accommodation request not reported.
Community Action Duluth	FAIM IDAs & Downpayment Assistance	Sara Priest	Since 2010, 15 families purchased homes. Housing market challenging. Reasonable accommodation in 2012, none in 2013.
One Roof Community Housing	Multi-family Development/Rehab & Resale	Jeff Corey and Jim Mischler-Philbin	Hillside Apt construction on schedule. Acq/Rehab exceeding goal. Many important partnerships
Duluth HRA	Tenant Based Rental Assistance	Mary Pelofske	Exceeded goal but the need is strong, utilize reasonable accommodations
Center City Housing Corp.	Operations	Nancy Cashman	Achieved benchmarks
SOAR Career Solutions	SOAR Duluth At Work	Sara Romagnoli	On track to exceed goal, 18 people in the program are making more than \$10/hour, have a career specialist for reasonable accommodations
CHUM	CHUM Employment Services (D@W)	Lee Stuart and Mark Engebretson	On track to meet goal, work with anyone, working a lot with housing advocates
Neighborhood Youth Services	JET (Jobs, Employment, Training) Program (D@W)	Jessica Schiff	On track to meet goal, focusing on jobs in Duluth
Life House	Life House Futures Program (D@W)	Chris LeBlanc	On track to exceed goal, drop outs were due to moving,

			working a lot with Goodwill, especially in situations that require additional assistance with mental health
Community Action Duluth	Circles At Work (D@W)	Kate Wigren	15 jobs were obtained and 24 jobs is their goal, which would increase the accomplishment percentage. CAD provides individualize service. It takes longer for their peer group to obtain employment because of day care and transportation issues. This program focuses on conversation and relationship building. People are benefiting from the many services CAD provides. One reason they have difficulty meeting their goal is that they do not over enroll because their work is very time intensive and is most effective when there is a small group. They do not have the staff to support a large group. People are getting jobs in retail food service, and other entry level positions. Some jobs, like CNA are difficult because of the hours are not

			suited well for family life.
Entrepreneur Fund	Growing Neighborhood Businesses (D@W)	Shawn Wellnitz	On track to exceed goal. When a business moves to a neighborhood, helps promote growth. There is a focus on women and/or minority owned businesses.
Life House	Lifeline Building Rehabilitation	Maude Dornfeld	Rehab is nearly complete. Cost was more than expected, but did private funding raising. By end of summer should have a comfortable and secured youth center.
Damiano of Duluth	Soup Kitchen Renovations	Dave Benson	Project complete. Capacity has been doubled.
City of Duluth	Street Assessments	Keith Hamre	Funded in 2010 for Anderson Rd in Riverside. Exceeded goal.
Boys & Girls Club	Lincoln Park School	Todd Johnson	No one spoke. This project has not started.
CHUM	Duluth Hunger Project	Lee Stuart	The outcome should be in people, not meals. Union Gospel is not part of the mission any more. They have food for special dietary restrictions.
Lake Superior Community Health Center	Primary Health Care for Low Income People	Mavis Brehm	Have provider turnover that impacted goal. They served more people than previous years. Have been working a lot on assisting

			people with the American Affordable Healthcare Act.
Damiano of Duluth	Clothes That Work	Dave Benson	Exceed goal. A lot of people use this service.
Duluth Area Family YMCA	Feeding Kids Through Youth Programs	Russ Salgy	Exceeded goal. In some neighborhoods are able to provide three meals a day for kids. Work with kid who have allergies.
Life House	Basic Needs Center	Maude Dornfeld	Exceeded goal. Increase in demand for food, clothing, basic supplies. Increasing efforts in street outreach. Increased efforts in enforcing rules for a safer place. Intentionally diversifying staff. Working with kids who have food allergies.
Center City Housing Corp.	Transitional and Permanent Supportive Programs	Nancy Cashman	They were not able to meet the transitional housing goal because smaller families were assisted than in previous years. Goal is to create housing stability. Average stay in trans housing is 11 months, 85% of participants are successfully able to live in permanent housing afterwards. 13% adults are able to increase their income while in trans housing. ESG funds are needed to

			<p>support the operation. Unfortunately people have to be turned away because there are not enough units to meet demand.</p>
CHUM	Homeless Stabilization	Lee Stuart	<p>Exceeded goal. 1/3 of people are homeless for the first time, 1/3 are have been homeless multiple times and 1/3 are chronic homeless. It is difficult to reduce shelter days because there isn't many housing options available. 20% of people released from custody are dropped off at the shelter, which is not acceptable discharge planning. The community needs approximately 75 more SRO units, 75 more Supportive housing for mental health, and 50 more shelter plus care units. More than half the people served have mental health issues.</p>
American Indian Community Housing Org.	Transitional Housing	Michelle LeBeau	<p>The outcomes in the report are wrong and AICHO exceeded their goals (This was confirmed by staff). AICHO has strong partnerships with other tribes and is a national model.</p>

MN Veterans Assistance Council- Duluth	Transitional Housing	Steve Saari	Exceeded goal. Work with veterans who are have PTSD and COPD.
Salvation Army	Family Transitional Housing	Kristy Georganson	Had a slower turnover due to vouchers not being available. Need more housing. Did provide more services. Provided a reasonable accommodation for a dog.
Safe Haven	Battered Women Homeless Shelter	Susan Utech	Exceeded goal. Reduced stay by 2 days, but it is difficult because people are coming from a violent situation and have additional barriers. The shelter does accept pets.

During the presentations, Crow asked about reasonable accommodations. The majority of the agencies responded that they working with people to accommodate them in their special needs so that they can use the program/s that their agencies offer. Many of the agencies did not know how many people were assisted. Some of the agencies provided specific details on how they accommodated people and those responses are provided in the outcome matrix in this document.

3. Approval of Meeting Summary from May 27, 2014 CD Committee meeting.

- a. Motion by Dudley, seconded by Branley to approve the meeting summary for February 27 as submitted. Motion approved; unanimously.

4. Review of Priority Needs in Consolidated Plan Table- this item was tabled to a future meeting.

5. Funding Priorities and Target Percentages for FY 2015- this time was tabled to a future meeting.

Dudley motioned to adjourn the meeting, Crow seconded. Meeting adjourned at 7:30.

**Next Meeting:** The next CD Committee meeting will be August 19, 2014 at 5:30 pm.



ATTENDANCE AT THE JUNE 24, 2014 PUBLIC HEARING ON MONITORING  
OF COMMUNITY DEVELOPMENT PROGRAM

Name:

Kristy Jorgenson  
Mary Pelofske  
Dave Johnson  
Linda Papism  
Sara Romagnoli  
Emily Edison  
Mavis Brehm  
Jodi Slick  
Lynne Snyder  
Jessica Schiff  
Maude Dornfeld  
Nancy Cashman  
Susan Utech  
Shawn Wellnitz  
Chris LeBlanc  
Sarah Priest  
Michelle LeBeau  
Jennifer Eddy  
Cynthia Finley  
Steve Saari  
Russ Salgy  
Lee Stuart  
Jim Philbin  
Jeff Corey  
Kate Wigren  
Dave Benson

## **Addendum of Reports Available to the Public**

### **2013 CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT (CAPER) ADDENDUM**

1. 2013 Summary of Activities Report (GPR) - C04PR03
2. Summary of Accomplishments Report – CO4PR08, CO4PR10 and CO4PR23
3. Financial Summary (4949.3) C04PR26
4. 2013 Status of HOME Activities Report - C04PR 22
5. Status of 2013 HOME Grants Report - C04PR27
6. Status of 2013 Community Housing Development Organization Funds by Fiscal Year Report - C04PR25
7. HUD 40107-A Match Report on HOME Funds – CO4PR33
8. Consolidated Annual Performance and Evaluation Report (CAPER) - C04PR06
9. Program Income (WKS) C04PR09
10. CDBG Performance Measurement Report – CO4PR83
11. HOME Housing Performance Report – CO4PR85
12. HRA Onsite Inspection Report
13. ESG Financial Summary Report-CO4PR91

*Copies of these reports are available for viewing at the Community Development office*