

Community Development Block Grant- Additional Information

HOUSING PROGRAM GOAL

The CDBG program provides grants and loans to implement the City's Consolidated Plan, which includes goals to increase the availability of affordable housing, preserve and upgrade the existing housing stock, help low-income households purchase homes, and assist in providing housing options for persons with special needs.

HOUSING ELIGIBLE ACTIVITIES

Allowable activities include homeowner or rental rehab, energy conservation, lead-based paint stabilization, handicapped accessibility, and repair or replacement of major systems; new construction or rehab of affordable rental and homeowner housing; homebuyer assistance; special needs projects; and the management of housing programs serving households at or below 80% of area median income. Applications and income verification will be coordinated through the Housing Resource Connection.

Housing rehabilitation and development proposals should state the amount of assistance, i.e., maximum loan amount and repayment terms, each household will receive, or per unit assistance. Describe the type of housing, location, affordability threshold and affordability period.

HOUSING LOCAL REQUIREMENTS

- **Energy Improvements:** Housing rehabilitation projects, either owner-occupied or rental housing, must achieve a 20% energy savings with the completion of the improvements.
- **Healthy Homes:** Housing rehab projects will be inspected using a Healthy Homes approach, and identified hazards addressed in the scope of work, including lead-paint hazards. Completed rehabs must meet housing code, and show energy improvements as stated above.

ECONOMIC DEVELOPMENT PROGRAM GOAL

The CDBG program provides grant funds to support economic development projects that implement the City's Consolidated Plan, which seeks to reduce poverty by assisting persons with low and moderate incomes in achieving economic self-sufficiency.

ECONOMIC DEVELOPMENT ELIGIBLE PROGRAM APPLICANTS

Eligible applicants include private 501(C)3 nonprofit organizations, governmental units, for-profit business or community-based development organizations (CBDO). Applicants looking to provide job training will need to be submitted and performed by a CBDO.

ECONOMIC DEVELOPMENT ELIGIBLE ACTIVITIES

When evaluating economic development projects, the City will consider how well activities outlined in the applications address the following areas of program focus: Create new jobs filled by Duluth residents having low or moderate incomes; employment training that leads to job placement (Economic Opportunity Initiative).

Examples of activities fundable under this category:

- Demolition/Acquisition of Development Sites
- Commercial/Industrial Rehabilitation

- Business Technical Assistance/Employment training
- Business Support (loans/grants)

ECONOMIC DEVELOPMENT PUBLIC BENEFIT STANDARDS

Applications with a job creation outcome must meet a \$10,000/job created over a two year period. Applications for the Duluth At Work program for job training will be for a two year period at or below \$8,000/participant assisted with job placement or \$10,000/business assisted to achieve a 25% increase in business revenue.

ECONOMIC DEVELOPMENT LOCAL REQUIREMENTS

Duluth At Work program - Employment training that leads to job placement and maintaining a two year relationship to mentor participants with a target increase in income of 25% from the time they enter the program through placement and after two years. Participants involved in job training should complete training in the first year and work to gain employment/raise income for the remainder of the contract. Businesses will participate in Technical Assistance Training to increase business revenues by 25% over a three-year period.

PUBLIC FACILITIES PROGRAM GOAL

To provide grant funds to make site improvements to facilities which serve the public in areas where more than 51% of the residents have low incomes or whose clientele meet the 51% low income guidelines. Certain projects, such as special assessments, must provide a direct benefit to clientele who have low incomes.

PUBLIC FACILITIES PROJECT REQUIREMENTS

Project properties must be either publicly owned or traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public.

An application for a project which is city owned will have to go through a City of Duluth Public Facilities project proposal process before receiving CDBG funds. The facility must be made available to the general public and must be open for use by the general public during all normal hours of operation.

Activities not fundable under this category:

- Operation or maintenance of public facilities/improvements
- Purchase of construction equipment or furnishings
- New construction of public housing

Types of Activities fundable under this category:

- Special Assessments
- Acquisition (including long term leases for periods of 15 years or more)
- Demolition
- Construction
- Installation of utilities
- Reconstruction
- Rehabilitation (including removal of architectural barriers to accessibility)

PUBLIC FACILITIES LOCAL REQUIREMENTS

For projects not on City-owned property there is a 25% match required.

PUBLIC SERVICES PROGRAM GOAL

The CDBG program provides grants to implement the City of Duluth's Consolidated Plan, to address basic needs for low to moderate-income persons, and for persons who are homeless or may be at-risk of becoming homeless. Also, the goal for public service activities is to assist persons in poverty to become self-sufficient by removing barriers and assisting persons with basic needs such as food, clothing, health care, employment and housing stability for the homeless or households at-risk of becoming homeless.

PUBLIC SERVICES ELIGIBLE ACTIVITIES

Allowable activities may include, but are not limited to, services such as food, child care, health care, fair housing and tenant/landlord activities, coordinated access and shelter and stabilization assistance for the homeless.

Eligible costs for Public Services include direct service staff time only, including intake and assessment activities. Ineligible costs include equipment purchase, postage, copying, utilities, office supplies, audit costs, rent, and mobile phone.

LOCAL REQUIREMENTS FOR HOMELESS ACTIVITIES

The applicant must describe how the proposed program/activity fits into the Duluth homeless response system, Coordinated Access and/or the Duluth/SLC Continuum of Care and the 10-Year Plan to End Homelessness. The applicant must also describe the contributions they are making to develop Coordinated Assessment in Duluth and what part(s) of Coordinated Assessment the applicant's programming will address as Coordinated Assessment is developed and implemented.

See the ESG Application Guidelines for additional Local Requirements for Homeless Activities.