



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802



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Applying for HUD Funds with The City of Duluth: General Guidance and Timeline

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Thank you for considering applying for Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and/or HOME Investment Partnership (HOME) funds from the U.S. Department of Housing and Urban Development (HUD). Located in the Planning and Economic Development Department in the City of Duluth, the Community Development Team will be your primary point of contact for anything related to your application, fund reward, and on-going fund reimbursement and monitoring.

This guide is meant to be an over-arching resource that includes a little bit of every step of the Federal/City grant process. For greater details on any of the individual steps, please request further information from our staff, or reference our [Community Development webpage](https://duluthmn.gov/planning-development/community-development/resources-for-subrecipients/) for more resources: <https://duluthmn.gov/planning-development/community-development/resources-for-subrecipients/>

Applications

1. City staff will email an announcement that we are accepting applications to a list of agencies that have or could be eligible for a grant. This is typically during the month of August.
 - a. Staff host a virtual Technical Assistance meeting in September, before the applications are due, to answer questions, and help clarify the steps of the process.
2. Applications are typically due in early October.
3. The Community Development (CD) Committee and CD Staff review all applications.
4. The Manager of Planning and Community Development provides their recommendations. Then, the CD Committee proposes funding amounts.
 - a. Typically, the total requested dollar amount is many times greater than the available funds. This means most, if not all, projects will receive less than requested.
5. The CD Committee hosts a Public Hearing for comment on the initial funding recommendations. Funding recommendations may change and be presented and approved at a future public meeting.

Council Approval

1. CD Committee's funding recommendations go before City council for a first and second reading, typically in January or February.
2. Once the Resolutions have passed, City Staff will contact all applicants to inform them of the amounts approved by City Council.

Please Note: The actual funds are not awarded to the City until Congress approves the national budget and the City's Entitlement Grant amount is finalized. This could occur as late as November of the funding year. Once this grant amount



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is known, the City Council will pass amending resolutions to adjust the award amounts, if necessary. If the City's awarded amount is greater than a 4% difference, the CD Committee will conduct another review prior to final council authorization.

Environmental Review (ER)

1. All projects must receive environmental clearance prior to receiving a contract. You may submit your application for an ER at: eplace.duluthmn.gov
2. The earliest an ER can be approved is April 1st of the program year. City staff work to prepare all non-construction projects for ER approval on that date.
 - a. Public Service and Economic Development projects typically fall in this category.
3. All other projects (Public Housing and Public Facilities) will require a more rigorous review.
 - a. City staff encourage agencies to submit requests for an Environmental Review as early as possible, to allow ample time for processing.
4. **Your project/program may not begin until you have an ER Clearance date.**
 - a. Your contract may go out for bid only after you have received environmental clearance and determined you meet all applicable regulations (i.e. BABA, Davis-Bacon, etc.)
 - b. **Some Environmental Reviews may be completed with mitigation measures.** These are to be documented by the agency and reported to CD staff as soon as possible.
 - i. For example, the new radon regulations require new construction projects to report indoor radon levels once construction is complete.
5. Your ER Clearance date is the earliest date to which you may backdate reimbursement requests.

Award Letter

An award letter will be sent after the award amounts are finalized. As mentioned above, the timing for this award letter is dependent on the Federal budget cycle. Your letter will detail some of the upcoming steps and requirements before your official grant award date and contract.

Pre-Award Documents

City Staff will email you to request organizational documentation (such as a Board of Directors roster and by-laws, or Articles of Incorporation, etc.). The requested documents must be filed with the City before your contract can be signed.

Contracts

1. Once the City has received the official allocation amount granted by Congress, you will receive a draft contract for your review.
2. Once you have approved the draft contract, it will be sent to all parties for electronic signature. Once all parties have signed, your agency's signatory will automatically receive a final copy of the contract in their email.

Reimbursement/Invoices

1. The program year begins April 1st. You may only back date your reimbursement requests to your Environmental Clearance date, even if it is later than April 1st.



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2. CD Staff process invoices on a quarterly basis. The quarters and the invoice due dates can be found in your contract. You will also receive emails reminding you of upcoming deadlines.
 - a. You may request reimbursement for two or more quarters, if needed. For instance, construction projects often request full reimbursement following the completion of the construction project.
3. For HUD reporting purposes you will be asked to submit documentation that proves the money was spent and evidence of how it was spent. This documentation may include the following:
 - a. Timesheets and payroll: each page of a timesheet must be signed and dated by the employee and supervisor. If your agency uses electronic signature, you must have your processes approved by City Finance before CD Staff will approve timesheets with electronic signatures.
 - b. Invoices for purchased goods and services:
 - c. Ledger Printouts.
 - d. Quarterly reports.
 - e. Architect's Certification

Reporting

Federal grants are required to comply with several regulations, including:

1. Davis Bacon and Related Acts: Contractors must pay prevailing wages to laborers.
2. Build America Buy America Act and the Buy America Preference: Certain construction materials must be sourced and produced in the U.S.
3. Minority-Owned/Women-Owned Businesses (MBWM): Construction projects receiving CDBG and/or HOME funds report the number the minority owned, and women owned businesses (MBWB) that were hired using these funds.
4. Section 3: Construction/rehab contracts receiving \$200,000 or more in HUD funds must prioritize employing low-income residents.

The City requires construction projects to comply with the following:

1. Project Labor Agreement: required for any project that is awarded \$150,000 or more from the City, including but not limited to HUD funds. The PLA ensures efforts are made to hire local labor and/or unions.
 - a. Community Benefits Best Efforts Plan: required for any project that includes a PLA.
2. Prevailing Wages: Like Davis-Bacon, laborers on City construction projects must be paid the prevailing wage.

Monitoring

Every year in the spring, CD Staff are required to review agency performance. You will be contacted around this time to provide information or schedule a monitoring visit. If you receive HOME funds, the units assisted will require monitoring for the next 20 years.

These will take place either as a "desk monitoring" with a form, or as a site visit. Reasons for a site visit include:

1. Significant leadership or staffing turnover at the agency;
2. The agency has multiple contracts with the City; or
3. CD Staff haven't met with agency staff in person or seen the facilities in a few years.