



COMMUNITY DEVELOPMENT PROGRAM FUNDING FY 2025 APPLICATIONS INSTRUCTIONS

Applications Due: September 5, 2024

These instructions pertain to the application process for the Fiscal Year 2025 City of Duluth Community Development Program. The city annually receives entitlement funds from the U.S. Department of Housing & Urban Development (HUD), including; Community Development Block Grant (CDBG), HOME Investment Partnership Grant (HOME), and Emergency Solutions Grant (ESG).

ELIGIBLE APPLICANTS

Applicants must be nonprofit agencies, for-profit businesses, governmental units or Institutions of Higher Education. Applications are scored on criteria as defined in the Application Rating Criteria.

Potential new applicants are encouraged to communicate with City Staff via email: duluthcommdev@DuluthMN.gov or by phone 218-730-5580; regarding eligibility and all other application questions.

NEW APPLICANTS

In addition to the application, new applicants are encouraged to submit any or all of the following information with their application: (Note: this information is not a prerequisite for funding.)

- 1) Articles of Incorporation and 501(c)3 designation letter;
- 2) The most recent IRS 990 form;
- 3) A summary of state or federal grant administration experience;
- 4) A Board of Directors list;
- 5) A Minnesota Business License;
- 6) A description of the agency's experience with other Federal Grants, include how accomplishment information was reported and how invoicing was handled.
- 7) A description of the agency's capacity (see checklist)

ELIGIBLE ACTIVITIES

Please note, the following activities are generally ineligible under HUD rules:

- Buildings for the general conduct of government
- Political activities
- Income payments for housing
- Religious activities

Applicants must describe how the proposal will meet an eligible activity as described by HUD at <https://www.hudexchange.info/onecpd/assets/File/CDBG-National-Objectives-Eligible-Activities-Chapter-2.pdf>. City staff is available to assist applicants in whether a prospective project meets HUD requirements. The Funding Targets represent the CD Committee's goals for the allocation of funds for the 2025 program year.

FY 2025 FUNDING TARGETS

		<i>FY 2024 Actual Allocations</i>	<i>FY 2025 Funding Targets</i>
CDBG	<i>Funding Category</i>		
	Housing	36%	35%
	Economic Development*	14%	20%
	Public Facilities	15%	10%
	Public Services*	15%	15%
HOME	Planning & Program Administration	20%	20%
	CHDO Operations*	0%	0%
	Homeowner Development and/or Homeowner Rehab	15%	20%
	Rental Development	55%	50%
	Tenant Based Rental Assistance	15%	20%
ESG	Program Administration	10%	10%
	Street Outreach and Shelter Operations	60%	60%
	Administration	7.5%	7.5%
	HMIS Administration	2.5%	2.5%
	Rapid Re-Housing and Prevention	30%	30%

**Includes all CHDO activities (Homeowner & Rental development)*

This year’s application will be the first year of the 2025-2029 Consolidated Plan. The Community Development Committee would like to see an emphasis on providing services to the children. To accomplish this goal,

- 5% of the Economic Development funding will be prioritized to projects that assist in providing childcare operations or assisting in childcare training.
- 5% of the Public Service funding will be prioritized to projects that provide child-based programming.

APPLICANT AND PROPOSAL INFORMATION

The application is a fillable-PDF and all sections should be completed. Use the information in these instructions to assist you when completing the Application.

Applicant Information

Please fill in the organization’s name, address, contact person, phone and email address. For Type of Organization, choose from one of the following:

- Non-Profit agency
- Public Authority
- City Department
- Private Business

Proposal Information

Proposal Name Enter the name of Project/Program for which the applicant is seeking funding.

Funding Amount Requested Enter the amount of Community Development funds (CDBG, HOME, ESG) being requested.

Proposal Service Goal Indicate the numeric service goal and units (units should be households, people, businesses, housing units, etc.)

LMI Service Goal % Indicate the percentage of the service goal that will be Low- to Moderate-Income.

Program Category Identify the category from which funds are being requested. More than one source can be selected. City staff can assist with determining the best fit for the proposed activity.

If new applicant, please provide the information described earlier in this document in a separate email to duluthcommdev@DuluthMN.gov. Clearly label this information, if the information is not clearly labeled then the associated application will not be considered valid.

NARRATIVE SECTIONS

For more information on how applications will be scored, please see the “2025 Application Rating Criteria” available on the Planning & Development webpage of the City of Duluth’s website, or request a copy from the Planning & Development office.

1. CONSOLIDATED PLAN PRIORITY & ELIGIBILITY

Proposal Summary

Describe exactly what the funding dollars will be used for in 40 words or less. (This summary is used for communication with the public and City Council, therefore please clearly describe the project)

Consolidated Plan and Comprehensive Plan Goals

1. Describe exactly how the proposed request will meet at least one of the Consolidated Plan goals listed below, be specific!
2. For proposals relating to housing, explain how the proposal aligns with the 2020 Fair Housing Plan.
3. Explain the Imagine Duluth 2035 principles, policies, or strategies that are being implemented.

CONSOLIDATED PLAN GOALS

GOAL	GOAL DESCRIPTION
Affordable Housing	Increase the number and condition of affordable housing units for LMI people. Project locations should be available throughout the community with convenient access to jobs, amenities, and services. Housing should serve people in need of support services, accessible units, individual units, and those that are seniors. Housing should utilize energy efficient practices. All housing efforts should support the policies and strategies of the Imagine Duluth 2035 Comprehensive Plan.
Neighborhood Revitalization	Improve LMI neighborhoods by addressing vacant, condemned, and deteriorated properties. Provide green infrastructure and/or neighborhood infrastructure/amenities that improve safety, accessibility, livability and equity. Improve buildings that provide essential services and basic needs to LMI people. Create and/or improve community gathering areas that focus on social interaction. Revitalization efforts should include strategies to prevent displacement of LMI people.

Increase Incomes	Provide job training and skill development to assist people who are LMI in accessing living wage jobs. Job training should include collaboration with the CareerForce Center and ensure a focus on needed job sectors. Assist LMI people to grow/start their business and grow their income. All efforts should support the city's Workforce Development Strategic Plan.
Create Living Wage Jobs	Create jobs by providing assistance/incentives to businesses to grow and hire LMI people.
Health Services	Provide health, dental, and mental health services to people who are LMI.
Food Access	Provide easy access to healthy and affordable food to people who are LMI.
Homeless Services	Provide shelter, services, and rental assistance to people who are homeless or at risk of becoming homeless.
Public Services	Provide services to LMI people that fulfill basic needs, prevent evictions, and address other needs.
Childcare and Children's Programming	Ensure childcare and children programming is available in LMI neighborhoods and for LMI people that is safe, affordable, and convenient. Focus on programs that promote healthy living with education and recreation emphasis

CD Committee's Mission

Describe how the proposal meets the stated Community Development Committee's mission to *invest in community programs that help low and moderate income people by addressing basic needs, providing affordable housing, and increasing economic self-sufficiency.*

Anti-Poverty Strategy

Describe how the proposal addresses policies under the Anti-Poverty Strategy in the consolidated plan. Provide a statement on how the proposal will reduce or assist in reducing the number of poverty-level households. View the Anti-Poverty policies below:

ANTI-POVERTY STRATEGY POLICIES

POLICY	POLICY DESCRIPTION
Policy 1: Training and Career Development	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: Remove Barriers to Obtaining Employment	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, such as provide more childcare and school age child programming.
Policy 3: Reduce Housing and Utility Costs	Focus on efforts to reduce the costs on household's budgets through energy efficiency programs that lower utilities and/or through rehab programs that extend the livability of housing units.

Policy 4: Increase Affordable Housing Units	Increase the amount of affordable housing units within the City that have long-term affordability restrictions (greater than 30 years) to maintain housing for low-to-moderate-income residents within our community.
Policy 5: Increase Access to Affordable and Healthy Food and Living Options	Increase access to affordable and healthy food options as well as educational and social gathering programs that contribute to healthy living in order to address the long-term health and economic impacts on households experiencing poverty.
Policy 6: Increase Homeownership	Increase opportunities for LMI households to be able to purchase housing that will allow them to become financially sustainable.
Policy 7: Create sustainable Independence	When possible, work with LMI people to help them develop skills such as through the Section 3 Program or other job training programs AND provide quality housing opportunities. This could be a multi agency partnership.

Eligible Activity and National Objective

Please identify which HUD eligible activity the proposal falls under and explain how it meets this activity. A helpful reference to eligible activities can be accessed here:

<https://www.hudexchange.info/onecpd/assets/File/CDBG-National-Objectives-Eligible-Activities-Chapter-2.pdf>

Equity and Accessibility

Explain how funding this proposal will assist people who have been historically and are currently disenfranchised. Provide outreach methods, if necessary.

Services Disclaimer

HUD encourages entitlement communities to be careful about funding organizations or projects that may require ongoing or continued annual CDBG funding, and organizations that provide duplicative services. Dependence on CDBG funding is a serious concern considering the potential that exists for budget cuts to CDBG funding proposed every year by Congress, and with grant amounts available to entitlement communities decreasing as more and more communities become eligible to receive CDBG funding.

2. PROJECT READINESS

It is a requirement of the Community Development Program that funds are spent in a timely manner. Each proposal should state when the project will be completed. Project completion expectations are as follows:

- Public Services (CDBG): March 31, 2026
- Economic Development (CDBG): March 31, 2026
- Housing (CDBG): September 30, 2026
- Public Facilities (CDBG): September 30, 2026
- HOME Investment Partnership-Housing Development: September 30, 2026
- HOME Investment Partnership- Other: March 31, 2026
- Emergency Solutions Grant: March 31, 2026

Please include additional actions or approvals still needed for the proposal and explain any potential delays that may impact timing.

3. PROJECT IMPACT AND DELIVERY

Describe the services that will be provided to the participants in the project. Then address the following areas:

Achievement of Expected Results: Describe the need for the proposed activity, using related documentation and/or statistics and research to support the need.

Target Clientele: Describe who the project is intending to serve. What percent of participants will be low-income (at or below 80% area median income) What geographic area(s) does the project cover? Provide Qualified Census Tract number(s) if necessary, see application materials.

Outcome Measurements: What is the impact or benefit (outcome) of the activity proposed for the participants to be served? Examples might include improved condition, increased knowledge or skills, or other impact. How will impact be measured and what benchmarks will be used? (*NOTE: If funded, outcomes will be a part of the grant agreement.*)

Describe how well outcome objectives were met for the most recently completed project funded through CDBG/HOME/ESG programs. For applicants that have projects that were funded prior to March 31, 2024 (does not include projects funded with the FY 2024 funds) and that are currently active and receiving CDBG, HOME or ESG funds from the City of Duluth, please provide a description of those active projects, and the status of those projects.

If an organization has not received these funds in the past, describe in general other past goals, outcomes, and accomplishments.

Business/Operations Plan Approach: Describe the critical issues or factors that hinder the implementation or maintenance of the proposed project activities and outcomes over the long term. How will applicant ensure continued success?

Proposals must include what need the project/program will address and how referrals are handled. When might the program refer people to other services/agencies? How are people that are referred elsewhere included in the reported number of people served?

4. BUDGET NARRATIVE - FINANCIAL CONSIDERATIONS

A. Program Sources: To complete this portion of the application, fill in the chart at the top of the Budget Narrative page of the application, listing all sources of funding being leveraged for this project/activity. The amount should be placed in the applicable box (Secured or Anticipated) based on the status of those funds. Secured funds means the applicant has received funding commitments such as award letters or agreements. Anticipated funds are funds that have been applied for but are not yet secured.

- B. Program Uses: In the space below the chart, describe what costs the CDBG/HOME/ESG funding will be specifically used for.
- If funding is for staff time, list position titles (including Full Time Equivalency of each position).
 - Provide a per unit cost for the amount of funds from all sources of funding listed for the proposed service goal.
 - Provide a per unit cost for the amount of Community Development funds requested for the proposed service goal.
- C. Funding Need: **Clearly** explain how, if funding is not received, it will affect the budget or stability of the program. If the funding is to be used for leveraging, please provide this information.
- D. Budget Spreadsheet: List all sources and uses by funding type for the proposal. Use common budget line items (e.g. staffing salaries, utilities, acquisition, construction costs). Be sure to include the Project Service Goal (# of people, households, jobs, etc.) at the top of this table.

Additional Forms Required for Housing Proposals

All proposals applying for CDBG-Housing or HOME Investment Partnership funds must fill out the Housing Spreadsheet provided in the application.

In addition, if construction of new housing units or major housing rehabilitation is being proposed additional budget forms will be required. Please contact city staff at duluthcommdev@duluthmn.gov to receive additional budget information that is required to be included with application submittal.

NOTE TO APPLICANTS

Applicable projects as described in City Ordinance 18-0380 are required to follow the provisions for Project Labor Agreements as described in the ordinance. Covered projects include: *“... a project owned by the city for which the city has a contract for construction services equal to or in excess of the city investment threshold, or a project in which the city has an ongoing proprietary interest because it provides financial support equal to or in excess of the city investment threshold through a grant, subgrant, loan, loan guarantee or tax credit to pay for some or all of the costs of a project, including financial support having its source in tax increment proceeds, loan guarantees, state of Minnesota funds, community development block grant funds, HOME investment partnership funds, and other federal or state programs including low income tax credits, federal or state historic tax credits, federal new market tax credits, or similar funding or tax credit programs.”*

BUILD AMERICA, BUY AMERICA, (BABA)

On November 15, 2021, the Build America, Buy America Act (the Act) was enacted as part of the Infrastructure Investment and Jobs Act (IIJA). Pub. L. 117-58. The Act establishes a domestic content procurement preference, the Buy American Preference (BAP), for Federal programs that permit Federal financial assistance to be used for infrastructure projects. In Section 70912, the Act further defines a project to include “the construction, alteration, maintenance, or repair of infrastructure in the United States” and includes within the definition

of infrastructure those items traditionally included along with buildings and real property. Starting November 15, 2022, the BAP is now applicable to iron and steel used in CDBG projects. If your project will have iron and/or steel, provide a description of how your agency will meet this requirement.

DAVIS BACON AND RELATED ACTS (DBRA)

The U.S. Department of Labor final rule, “Updating the Davis-Bacon and Related Acts Regulations” took effect on October 23, 2023. Originally enacted in 1931, DBRA requires the payment of locally prevailing wages and fringe benefits on Federal contracts for construction. Projects subject to Davis-Bacon are federally funded or assisted, and the “prime contract” is in excess of \$2,000. The rules apply to contractors or subcontractors, not employees of the grantee. The types of projects subject to DBRA are construction, alteration or repair of public buildings or public works. “Public building or work” applies to buildings, structures or improvements of all types that are intended to be used by the general public, or to serve the general public. Residential projects with CDBG funds that have *more than 7 units* are subject to DBRA, while HOME residential projects must have *more than 11 units* to be subject to Davis-Bacon. This applies to units on a contiguous lot, ex: two apartment buildings with four units each, eight single-family units, etc.

Once the agency determines that DBRA applies to their project, the most current area wage decisions and labor standards clauses are to be included in the bid documents, whether it is a formal or informal bid. The chosen contractor(s) must be verified as eligible to participate in federal programs. All other Davis-Bacon reporting requirements must be followed throughout the lifetime of the contract. Please notify Community Development staff if you believe your project is subject to Davis-Bacon, or have questions about reporting.

SECTION 3 REQUIRMENTS

For all projects that involve housing rehabilitation, housing construction, and public facility projects where the total amount of assistance exceeds a threshold of \$200,000, please review the attached Section 3 Plan dated April 2022, and describe how your entity will be able to complete enclosed IDIS Section 3 form. If this information is not submitted, the application will be rejected.

PROJECT MANAGEMENT ALLOCATION- HOUSING and PUBLIC FACILITY

For all CDBG funded projects that involve housing rehabilitation, housing construction, and other public facility projects, HUD has required additional administrative duties for City Staff, therefore a reduction of up to 10% of the requested CDBG project amount will be allocated to City Staff. Please provide this funding item in the application budget.

APPLICATION SUBMISSION

Application deadline is **Thursday, September 5, 2024 at 3:00 PM**. Late applications will not be accepted. All applications shall be submitted in fillable PDF, and emailed to duluthcommdev@duluthmn.gov. No paper applications will be accepted without prior approval from the Planning & Development office.

What’s a complete application?

A complete application will:

1. Adequately describe how it meets a HUD National Objective and propose an Eligible Activity.
2. An application (fillable PDF) submitted by email before the deadline.
3. Clearly and completely respond to all components outlined in the *Application Instructions*.
4. Be submitted by an Eligible applicant that is not currently on probation. New applicants should contact city staff about supplying documents that demonstrate organizational capacity and structure. New applicants must provide the information described earlier in this document.

Incomplete applications will be rejected based upon not meeting application requirements and are not eligible for funding consideration. The applicant will be informed of the rejection by email after the funding is finalized. All funding is based upon annual priorities, availability of funding, and determination of acceptability to the Planning & Development Division, Community Development Committee, City Council, and Mayor.

Acceptable attachments:

- New applicants only: please submit 1) Articles of Incorporation and 501(c)3 designation letter; 2) the most recent IRS 990 form; 3) A summary of state or federal grant administration experience; and 4) A Board of Directors list. 5) A Minnesota Business License; 6) A description of the agency's experience with other Federal Grants, include how accomplishment information was reported and how invoicing was handled; 7) A description of the agency's capacity that is described in the agency capacity checklist.
- Construction Projects: A description of how the Section 3 requirements are being met.
- Construction Projects: A description of how the BABA requirements are being met.
- Construction projects: A description of how the Davis Bacon requirements will be met
- Proposals constructing new housing or major rehabilitations should submit additional budget forms. (Contact duluthcommdev@duluthmn.gov for forms)
- Do not submit: brochures, letters of support, or other supplemental information.

The information provided on this application is classified as public data under the Minnesota Government Data Practices Act. Public data must be provided to any person or entity that requests it.

APPLICATION REVIEW PROCESS

New Process! For the 2025 Application, the Community Development Committee will be conducting in person interviews on September 17 and October 1. Applicants will be notified of the interview schedule during the application process.

QUESTIONS?

Applicants can contact City Staff at duluthcommdev@DuluthMN.gov or by phone 218-730-5580 between 8:30 a.m. and 4:00 p.m., Monday through Friday. All applicants are encouraged to seek guidance from city staff to review drafts, answer questions, or discuss new ideas. Please make appointments via phone or email prior to September 5, 2024 to ensure staff availability before the application deadline.

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. Income Verification and Environmental Review will be coordinated through City Staff, no project may proceed until City Staff provides the approvals.

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. Applications looking to construct new housing will need to be submitted and performed by a community-based development organization (CBDO).

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). Applications 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.

ECONOMIC DEVELOPMENT LOCAL REQUIREMENTS

Participant engagement, assistance, and reporting outcomes should be tracked for 12 months. Organizations may choose to provide services for a longer time frame, however outcomes achieved after 12 months does not need to be captured and reported to the city for this funding.

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. Environmental Review will be coordinated through City Staff, no project may proceed until City Staff provides the approvals.

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% funding 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.

HOME INVESTMENT PARTNERSHIP - Additional Information

The HOME program, created under the HOME Investment Partnerships Act, is part of the Federal Government's commitment to providing decent, safe, and affordable housing for all Americans and to alleviate problems of excessive rent burdens, homelessness, and deteriorating housing stock. The HOME program allows the City to:

- Design and implement affordable housing strategies that are tailored to Duluth's needs and priorities.
- Extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.
- Build the capacity of Community Housing Development Organizations (CHDOs), who play a significant role in implementing local strategies.
- Leverage and mobilize community resources to address housing needs and priorities within the At-Home targeted neighborhoods.

HOME PROGRAM PREFERENCES

The HOME program provides grants and loans to implement the City of Duluth's housing strategies, which are designed to increase homeownership and affordable rental housing for very low to moderate-income residents. Housing projects are encouraged to focus on the following two elements:

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.

HOME PROGRAM ELIGIBLE APPLICANTS

Eligible applicants include 501(C)3 nonprofit housing providers, Community Housing Development Organizations (CHDOs), Housing and Redevelopment Authorities (HRAs) and private developers. CHDOs are community-based nonprofit organizations certified by the City of Duluth. CHDOs must be awarded no less than 15% of the City's HOME funds, and may apply for pre-development assistance. Contact Planning & Development (218-730-5580) for information on CHDO certification.

HOME PROGRAM - TYPE OF APPLICATIONS

Homeowner Development Projects

Eligible Applicants: CHDOs, 501(C)3 nonprofit housing providers, HRAs, private developers. Development projects which create or maintain affordable owner-occupied housing. Allowable activities include demolition and reconstruction, property acquisition, rehabilitation, and new construction. Additional budget information must be provided with the application.

HOME Buyer Assistance Project

Eligible Applicants: CHDOs, 501(C)3 nonprofit housing providers, HRAs, private developers, and mortgage lenders. Applicants must have experience in home purchasing and financial management

and knowledge of HOME program rules and regulations and related federal requirements. Projects may provide down payment and/or closing cost assistance, pre-paid interest subsidies, or soft second mortgage financing.

Tenant-Based Rental Assistance

Eligible Applicants: This program is administered by the Duluth HRA, in partnership with providers serving homeless individuals and families. Tenant-Based Rental Assistance (TBRA) is similar to “Section 8” or the Housing Voucher Program currently administered by the Duluth HRA. Qualified low-income renters who are homeless or at risk of becoming homeless receive a rent subsidy in an apartment of their choice, provided it meets quality standards and other program requirements.

Homeowner Property Rehabilitation Program

Eligible Applicants: 501(C)3 nonprofit housing agencies and HRAs. Applicants must have extensive experience in loan administration, contractor oversight, financial management, knowledge of HOME program regulations and related federal requirements, and demonstrate the ability to expend all funds awarded within the specified time period.

Rental Redevelopment Projects

Eligible Applicants: CHDOs, 501(C)3 nonprofit housing providers, HRAs, private developers. Development projects which create or maintain affordable rental units, or for permanent supportive housing as outlined in the Ten-Year Plan to End Homelessness. Allowable activities include demolition and reconstruction, property acquisition, rehabilitation, and new construction. Additional budget information must be provided with the application.

PROGRAM REQUIREMENTS

NOTE: *On July 24, 2013, HUD published a new final rule for the HOME Program that institutes significant changes in the requirements. Applicants should become familiar with the rules and how they may affect proposed HOME projects.*

Please refer to the following (available upon request or at www.hud.gov):

HUD Notice CPD-97-11: Guidance on CHDOs under the HOME Program
2014 HOME Program Limits
24 CFR Part 92 HOME Final Rule – with changes as published on July 24, 2013.
HUD Notice CPD-96-09: Project-Specific Assistance
HUD Homebuyer Assistance Program
City of Duluth’s Community Development Local Recapture/Resale Policy
Tenant Based Rental Assistance - A HOME Program Model
HUD Regulation on Lead-Based Paint Hazards
URA, Uniform Relocation Act

EMERGENCY SOLUTIONS GRANT - Additional Information

ESG PROGRAM GOAL

To provide grant funds in support of HEARTH Act goals and outcomes, participation in the St. Louis County Housing Collective Process in addressing homelessness and local priorities established through the Continuum of Care process to address homeless issues that includes outreach, Coordinated Access and Assessment, shelter operations, rapid re-housing, prevention assistance for persons at-risk of becoming homeless and collection and maintenance of homeless data and record-keeping requirements under HMIS.

ELIGIBLE PROGRAM APPLICANTS

Applicants must be nonprofit organizations serving homeless persons or those at-risk of homelessness within the City of Duluth through the operation of homeless facilities and rapid re-housing and prevention assistance that results in housing stability. Applicants must demonstrate their capacity to meet HEARTH goals and outcomes and participate in the Coordinated Access and Assessment system developed through the SLC CoC process. ESG applicants must have the ability to expend all funds awarded within the contract period.

PROGRAM REQUIREMENTS* Outlined under the HEARTH Act and ESG regulations*

Administrative costs will not be reimbursed under the ESG program.

Operational costs are allowed, and may include rent, maintenance, insurance, utilities and HMIS costs. Salaries for staff carrying out maintenance activities for the homeless facility are considered to be operational costs. Operational costs are limited to the "Hold Harmless" amount set in FY 2010 or sixty percent (60%) of the current year allocation. Hold Harmless funds may be used to support and maintain the current inventory of shelter units/beds within the Continuum of Care. ****See eligible and ineligible cost items in the Application Instructions.****

Stabilization Services costs are limited by ESG regulations and may not exceed 30% of the total ESG allocation. Salaries for housing stabilization services or other support services provided by staff are considered to be service costs, as are for homeless prevention efforts. However, funding for homeless assistance is also provided under the CDBG Public Services category. Contact City staff if the application proposes the funding of services.

Match - HUD requires a "dollar-for-dollar" match of ESG funds. If funds are awarded, the applicant will be required to provide documentation of match. Under the budget narrative section, please indicate all sources and amounts of funds being leveraged to carry out the proposed program/activities.

Local Requirements The applicant must describe how this application fits into the Duluth/St. Louis County Continuum of Care and the Duluth Homeless Response System homeless and at-risk persons accessing the Duluth Homeless Response System must enter through one of the identified Coordinated Access entry sites. Persons will be screened for eligibility and accessed for "right fit" housing placement using ESG protocols established in coordination with the SLC CoC. ESG applicants must agree to participate in coordinated access and follow coordinated access and "right fit" housing placement protocols.

Describe specific activities the applicant currently does, or is planning to do under this proposal, that address one or more of the ESG homeless system components (Outreach, coordinated access and assessment, shelter operations (congregate, family, domestic violence), rapid re-housing, prevention, housing stabilization services, housing search and placement and HMIS. In describing the role in Coordinated Access and Assessment include:

- The number and type of housing units/beds the applicant operates. This information will be used COC Housing Inventory Chart.
- Any funding, population, programmatic or other restrictions or priorities on any of the units operated by the applicant.
- The number of unduplicated persons/households the applicant plans to serve under the 2025 ESG grant cycle (4/1/25 – 3/31/26).
- The name of applicant’s staff person(s) who will be imputing/reporting HMIS data
- The number of unduplicated persons/households that the applicant has already input and reported on in HMIS (pre 2020) and the number that is anticipated will be newly input and reported on in HMIS during the 2025 ESG program year. For agencies dealing with Domestic Violence, an approved HUD alternative data system may be used.

In describing the applicant’s role in Duluth’s homeless response system, please include how the applicant has and will assist in meeting the following HEARTH Act goals and describe other accomplishments by the applicant that helped to reduce homelessness.

- Reduce the length of homelessness
- Reduce returns to homelessness
- Reduce the number of people who become homeless
- Increase jobs and income
- Thoroughness in reaching homeless populations
- Access to mainstream resources
- Discuss the applicant’s involvement in the St. Louis County Continuum of Care Program.

New Requirement- Project Measurable Outcomes.

HUD is requiring all ESG funded projects to provide the following measurable performance standards. These performance standards will be an added to the quarterly report. Please provide a statement on how your ESG application can provide measureable results.

1. Reduction in the length of stay in emergency shelters to 180 days or less for all residents.
2. Reduction in the average length of time between the time a client applied for RRH housing (project start date) to the time they moved into housing (housing move in date) by 3 days.
3. Increase the percentage of persons sheltered who moved to a positive housing destination.
4. Increase the data quality of race in order to review racial equity so that less than 2% of participants across all projects had data shown as “data not collected”.
5. Decrease the number of persons with “information missing” for personally identifying information data to less than 2% of participants across all shelter and RRH projects.

Funding will be based on previous year’s allocations, accomplishments, and number of beds/units.