



## COMMUNITY DEVELOPMENT PROGRAM FUNDING FY 2026 APPLICATION INSTRUCTIONS

***Applications Due: September 4, 2025***

These instructions pertain to the application process for the Fiscal Year 2026 City of Duluth Community Development Program. The City of Duluth receives annual 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 Scoring Criteria.

Potential new applicants are encouraged to communicate with City Staff regarding eligibility and all other application questions.

Email: [duluthcommdev@DuluthMN.gov](mailto:duluthcommdev@DuluthMN.gov)

Phone: 218-730-5580

### **NEW APPLICANTS**

In addition to the application, new applicants and applicants that have not been awarded funding in the past three years are encouraged to submit the below documentation with their application. Please submit them to [duluthcommdev@duluthmn.gov](mailto:duluthcommdev@duluthmn.gov) by application deadline. If you require an extension for these documents, you must contact City Staff.

- 1) Articles of Incorporation and 501(c)3 designation letter
- 2) Most recent IRS 990 form
- 3) Board of Directors list
- 4) Minnesota Business License
- 5) Description of the agency's experience with other Federal Grants, include how accomplishment information was reported and how invoices were handled
- 6) A description of the agency's capacity (see Agency Capacity Questionnaire)

### **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 are available to assist applicants in determining whether a proposal meets HUD requirements. The Funding Targets below represent the CD Committee's goals for the allocation of funds for the 2026 program year.

## FY 2026 FUNDING TARGETS

		<i>FY 2025 Actual Allocations</i>	<i>FY 2026 Funding Targets</i>
CDBG	Housing	35%	35%
	Economic Development*	16%	20%
	Public Facilities	14%	10%
	Public Services*	15%	15%
	Planning & Program Administration	20%	20%
HOME	Homeowner Development	15%	25%
	Rental Redevelopment	55%	50%
	Tenant Based Rental Assistance	15%	15%
	CHDO Operations	0%	0%
	Program Administration	10%	10%
ESG	Street Outreach and Shelter Operations	60%	60%
	Administration	7.5%	7.5%
	HMIS Administration	2.5%	2.5%
	Flex Fund: Rapid Re-Housing and Prevention	30%	30%

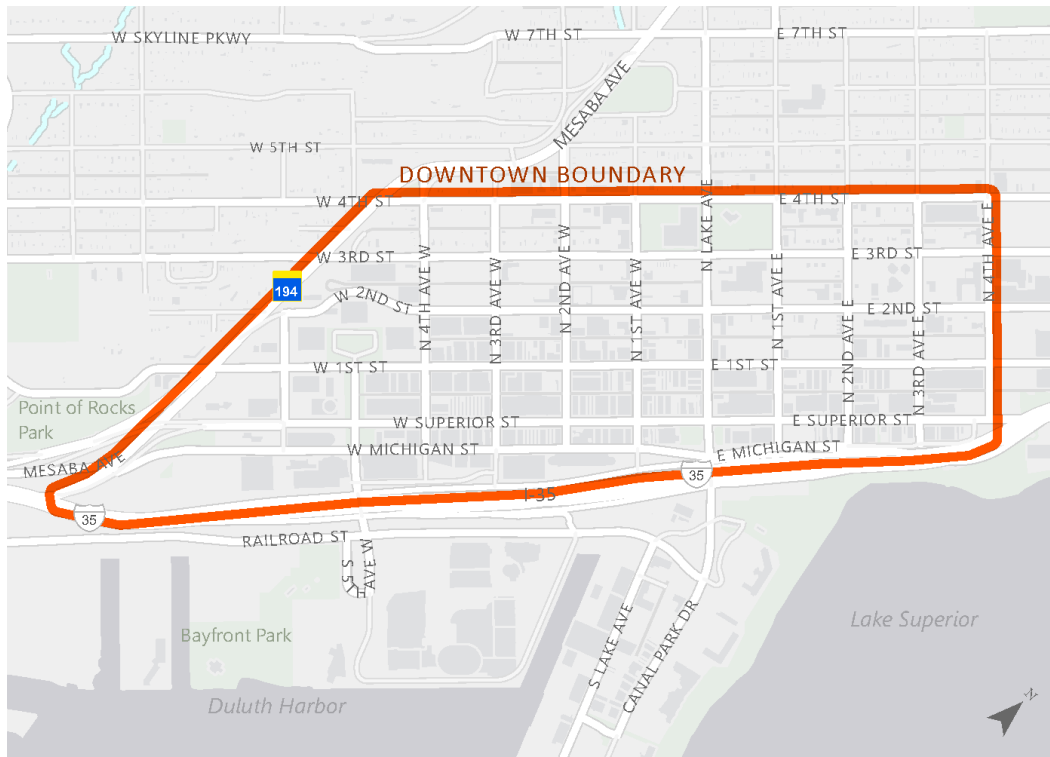
*\*Includes all CHDO activities (Homeowner & Rental development)*

## CD COMMITTEE'S FUNDING PRIORITIES: 2026

This year's application will be the second year of the 2025-2029 Consolidated Plan. The Community Development Committee established four sub-categories for prioritization of funding in 2026:

Childcare and Children's Programming	Given the shortage of childcare facilities and children's programming in Duluth, the CD Committee is continuing to prioritize projects that increase access to these resources. An application in this category might propose solutions to help ensure quality childcare and children's programming is available in LMI neighborhoods that it is safe, affordable and convenient.
Downtown Innovation/Revitalization	Downtown Duluth is a priority area for the city because of the ample opportunities for innovative housing, economic development, transportation, infrastructure, and community building. An application in this category might contribute to the physical, economic or community revitalization in the Downtown area as defined in the map below.
Prepare for the Medicaid work/volunteer requirement	Due to changing eligibility requirements for Medicaid and SNAP in 2026, many recipients of these benefits will be required to log work or volunteer hours every month. A proposal in this category might assist eligible Medicaid/SNAP beneficiaries in maintaining their coverage as the changes in eligibility requirements are rolled out in late 2026/early 2027.
New collaborative partnerships and/or co-locating	The community needs assessment has identified transportation barriers for people receiving services, noting that they often need to travel to different locations to receive

	assistance. An application in this category may be coordinating with other service providers to bring different services to one location or sharing transportation resources where applicable.
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## 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.

## NARRATIVE SECTIONS

For more information on how applications will be scored, please see the “2026 Application Scoring Criteria” available on the Planning & Development webpage of the City of Duluth’s website, or request a copy from the Planning & Economic Development office.

### 1. CONSOLIDATED PLAN PRIORITY & ELIGIBILITY

#### Summary Proposal

*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.)*

#### 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 communities become eligible to receive CDBG funding.

#### Consolidated Plan

1. Describe exactly how the proposal will meet at least one of the Consolidated Plan goals listed below. Please be specific.

### 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.
Basic Needs	Provide services to LMI people that fulfill basic needs including food, health services, childcare, prevent evictions, and address other needs such as tax preparation.
Living Wage Jobs	Create jobs by providing assistance/incentives to businesses to grow and hire LMI people. 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.
Homelessness	Provide shelter, services, outreach and rental assistance to people who are homeless or in danger of becoming homeless or would be homeless without supportive services utilizing CDBG and HOME funds. The City's HESG funds will be counted in HMIS, and in a separate report in the CAPER.
Community Development Facilities	Community Development Facilities are buildings, structures, or items that meet a priority need, are open to the public and benefit low-income households, example of these facilities include Homeless Facilities, Transportation Facilities, or Recreation Facilities. Address vacant, condemned, blighted and/or deteriorated properties. Provide updated infrastructure, including pedestrian improvements and/or downtown improvements. Improve or provide essential services to LMI HH.

#### 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 Issues Obtaining Employment	Assist families with removing issues 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. Helpful references can be accessed from the application.

## 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, 2027  
Economic Development (CDBG): March 31, 2027  
Housing (CDBG): September 30, 2027  
Public Facilities (CDBG): September 30, 2027  
HOME Investment Partnership-Housing Development: September 30, 2027  
HOME Investment Partnership- Other: March 31, 2027  
Emergency Solutions Grant: March 31, 2027

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.

Outcome Measurements: Describe the impact or benefit (outcome) of the activity proposed for the participants to be served. Examples might include improved conditions, increased knowledge or skills, or other impact. 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 your organization's experience and capacity to carry out your proposal with federal funding. Describe the critical issues or factors that hinder the implementation or maintenance of the proposed project activities and outcomes over the long term and how the applicant will ensure continued success.

#### 4. BUDGET NARRATIVE

- A. Program Sources: To complete this portion of the application, fill in the chart at the top of the Budget Narrative page, 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 funds from all sources of funding listed for the proposed service goal.
  - Provide a per unit cost for 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](mailto:duluthcommdev@duluthmn.gov) to receive additional budget information that is required to be included with application submittal.

#### **\*Important Note: 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 added 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**

The application deadline is **Thursday, September 4, 2025 at 3:00 PM**. Late applications will not be accepted. All applications shall be submitted in fillable PDF and emailed to [duluthcommdev@duluthmn.gov](mailto: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.
5. Do not submit: brochures, letters of support, or other supplemental information.

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.

*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.*

### **QUESTIONS?**

Applicants can contact City Staff at [duluthcommdev@DuluthMN.gov](mailto:duluthcommdev@DuluthMN.gov) or by phone at 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 August 22, 2025 to ensure staff availability before the application deadline.**

### **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 August 23, 2024, the BAP is now applicable to iron and steel, Specifically Listed Construction Materials, Not Listed Construction Materials, and Manufactured Products used in CDBG and HOME projects. If your project will have iron and/or steel, provide a description of how your agency will meet this requirement.

<https://files.hudexchange.info/resources/documents/BABA-Quick-Guide-CPD-Overview.pdf>

<https://files.hudexchange.info/resources/documents/BABA-Quick-Guide-CDBG.pdf>

### **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 public, or to serve the 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.

## **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 people 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.

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### **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 people 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 provide \$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 do not need to be captured and reported to the city for this funding.

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**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 open to the public. Environmental Review will be coordinated through City Staff; no project may proceed until City Staff provides environmental clearance.

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 public and must be open for use by the 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, childcare, 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](http://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 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 inputting/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 requires all ESG funded projects to provide the following measurable performance standards. These performance standards will be added to the quarterly report. Please provide a statement on how your ESG application can provide measurable 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 people who are sheltered who moved to a positive housing destination.
4. Increase the data quality of race 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.