

Community Development Committee Minutes

City Council Chambers – Duluth City Hall
Tuesday, November 29th, 2016 5:30p.m.

1) Call to Order and Roll Call

Present: Debra Branley, Randy Brody, Barbara Carr, Reyna Crow, Cruz Mendoza, Mark Othus, and Hamilton Smith

Absent: None

Staff Present: Adam Fulton, Suzanne Kelley, Karen Oleson, Jessie Peterson, and Kate Van Daele

2) Approval of Meeting Summary

- October 25th Regular Meeting

MOTION/SECOND: Hamilton Smith approved the minutes. Mark Osthus seconded.

VOTE: (7-0)

3) Review of Public Hearing

Adam Fulton, Manager of Community Planning welcomed committee members and summarized public comments received since the previous meeting.

At the 10/25 meeting the Committee approved applications and approved the action plan for provision to the community. Within the public comment period, letters were be submitted to City Staff. The Action Plan was provided at the Duluth Public Library, Duluth City Hall, on the City's website, and a link was emailed to providers. The availability of the Action Plan was publicized in the Duluth News Tribune, in an email blast to the mailing list, and via other online means.

The proposals in the Housing category did not receive any comments.

The proposals in the Economic Development category did not receive any comments.

Within the Public Facilities category, UDAC submitted a letter to reconsider their application. There were many letters of support for both City of Duluth Parks applications (Lincoln and Irving). The Parks and Recreation Department formally sent a request that the Manager's recommendation be to split any potential funding for either project 50/50 between the two projects.

City Staff met with Avalon Educational Alliance during the public comment time to review HUD requirements, particularly for Public Facilities, related to the requirement for a lien on the property. Avalon was asked to submit in writing approval from the property owner for the application. Based on this, Avalon indicated that they would not proceed with the application.

Fulton presented a memo from the City of Duluth CFO stating that funding Avalon would be high risk due to their existing organizational structure and lack of financial controls. The organization was asked to provide this information.

There were no comments related to proposals in the HOME Investment Partnership category.

There were no comments related to proposals in the ESG category.

The public comment process will be finalized tonight with the public hearing and then a final recommendation will be brought before the City Council in December.

- Hearing Process
Agency representatives and those that would like to speak on behalf or against agencies will have three minutes to voice their opinions. Speakers should state their name and their address for public record.
- Comments received during 30-day public comment period
Notice of funding recommendations was published in the Duluth News Tribune on October 28th, 2016. Letters of support were submitted to the Community Planning office and collected until November 28th, 2016.
 - Public comments were received regarding the following proposals:
 - Life House, six letters
 - UDAC, one letter
 - Community Action Duluth, one letter
 - Avalon Educational Institute, seven letters
 - Parks & Recreation- Irving Park, six letters
 - Parks and Recreation – Lincoln Park, six letters

4) Public Hearing- City of Duluth FY 2017 Annual Action Plan & Finding Recommendations

Justin Marcus, Avalon Educational Institute, 404 West Superior Street, Duluth, MN 55802: Pointed out failings in the Duluth educational system. Mr. Marcus gave information about Avalon and its programming.

Mr. Brody asked about Avalon not meeting HUD meeting requirements for Public Facilities. Fulton explained that for Public Facilities would need to have a ten-year lien on the property. Fulton explained that City Staff met with the applicant to determine if the owner of the property would be willing to have the lien on the building for the full amount of the improvement. No letter was submitted.

Ann Dahl, UDAC, 500 East 10th Street, Duluth, 55805: Serving as the Interim Exec. Director. Serving 155 clients, and have 70 staff members. Asked the committee to reconsider funding the full amount for the public facilities amount that was requested. Asking for the \$94,000 to pay for the sprinklers requested in their accessibility application.

Kathy Resberg, Irving Community Club President, P.O. Box 7042, Duluth, MN 55807: Doesn't have a current address as they have been homeless since the flood. Ms. Resberg is hoping for funding to replace things that were destroyed in the 2012 flood. Their application is requesting to be able to put back the amenities that the storm destroyed.

Genny Hinnenkamp, 116 Ave West, Duluth, MN 55807: Community Club: Requesting funds for Irving Park to renew the kids programming during the week that can play football, hockey, etc at the park. The park has been an asset the Denfeld community including the high school. To date the park has been working with the DNR, MN Power, City of Duluth to help make the community viable and be an asset again. Irving Community Club has been able to put away funds for the playground. This is the last park to be updated since the flood.

Chair Carr asked if the \$50,000 proposed (reallocated) funds would be able to help their cause. Ms. Hinnenkamp said that the \$50,000 would be very helpful.

Emily Edison, SOAR, 205 West 2nd Street, Duluth, MN 55802: Pointed out the collaboration with Community Action Duluth and Life House to better serve the participants to increase their economic sufficiency. While the unemployment numbers continue to drop the need for services continues to increase.

Nathaniel Saltz, MACV, 5209 Ramsey Street, Duluth, MN 55807: In the last grant cycle MACV was able to help 87 veterans to help stabilize their situations. They offer legal services, outreach, Veteran Stand Down, employment services, emergency services. MACV is a safe place for veteran to connect with housing and Mr. Saltz mentioned a family that was living in a van immediate housing, employment, and a long-term solution. The family because of MACV's help is now living on their own, their kids are doing well in school and are self-sufficient again.

Randy Brody commended Mr. Saltz on the work that they do in the community.

Melissa Story, YWCA (address) 32 East 1st Street, Duluth, MN: Early Education Childhood Center. The YWCA is one of the oldest organizations in Duluth. Providing a safety net for women and families for over 100 families each year. Children that have enrolled in their early education program have taken their own steps, create gardens, and learn what grief and loss are from losing a hamster and a mouse. The YWCA serves low-income families and their children between 5 weeks and 5 years-old. Their application is for scholarships to be enrolled in the program which includes rides to and from work, and childcare.

Deb Branley asked about having scholarships for children that are in the path of not being able to afford the daycare. Ms. Story replied that the application that they submitted for Public Services was for scholarships and transportation.

Reyna Crow asked Ms. Story to talk about the advocacy that the Y provides to women. The Y provides assistance in completing applications to St. Louis County for financial assistance, and follow up on client's applications. Head Start staff also helps clients to apply for additional scholarships so that their children can remain in the program. Staff also provide referrals to other agencies that would provide additional assistance to the families that are at-risk.

Reyna Crow followed up by asking about hiring people of color in leadership roles within the Y. Ms. Story said that they are very intentional on hiring people that look like those that they serve. She stated that within the organization they are working on having leadership models that reflect that.

Paige Wright – advocating on behalf of the Y, did not give address: Ms. Wright was a recipient of the Y's scholarship program. She was able to continue working during the time that she received a scholarship. Because of the scholarship she was able to get back on her feet and start to pay for services again. She spoke about the importance of having a stable place for children to be in.

Maude Dornfeld, Executive Director of Life House, 102 West 1st Street, Duluth, MN 55802: Expanded services to include lunch and dinner. This year they will have served 12,000 meals. They have also increased their staff to 30 people. A third of their staff has been homeless. A third of their staff represents the GLBTQ community. A third of their staff represents people of color. Life House has requested \$200,000 to purchase the building next door to their current location, in addition for applications for their street outreach program.

Reyna Crow asked how many beds are for trafficked youth. Maude replied that 6-8 beds will be for trafficked beds. Reyna Crow asked a second question, are youth still being sent to Safe Haven? Ms. Dornfeld replied that they are not.

Candi Broeffle, Entrepreneur Fund, 202 West Superior Street, Suite 311, Duluth, MN 55802: Thanked the committee for their consideration of the Entrepreneur Fund. Eight of the eleven businesses that are funded have already surpassed their budget goals. Current and past businesses are improving businesses within business districts. Many are leading in the craft business industry. Ms. Broeffle asked that they be fully funded to support eight businesses instead of the six that has been recommended for funding.

Barbara Carr asked if one of the goals of the applicant was to increase the number of employees within the businesses that are currently being funded. Ms. Broeffle replied that they are working with businesses to increase the number of employees that work within the program.

Mary Pelofske, HRA- TBRA Program, 222 East 4th Street: Thanks the committee for their consideration of their funding applications. She appreciates the past funding for housing those that are hardest to house, and looks forward to continuing to work with this population and make a difference in housing those that need it in Duluth.

Jeff Corey, One Roof Community Housing, Tenant Landlord Connection (12 East 4th Street): The program serves 130 landlords, 282 completed education workshops, 272 rights and responsibilities workshops, prevented 21 evictions from happening. 37% of households were persons of color, 59% reported incomes of \$10,000 or less per year. He believes that the organization is making a difference.

Cruz Mendoza asked about how many of the workshops relate to fair housing and discrimination. Mr. Corey said that all of the workshops touch on fair housing. All workshops are free.

Lee Stuart, Executive Director, CHUM, 102 West Second Street, Duluth, MN 55802: All proposals touch on the consolidated plan's goals. The Hunger Project is a collaborative with the Salvation Amy and Damiano in addition to CHUM. The second application is for the CHUM emergency shelter to provide 900-1,000 people stay at CHUM throughout the year. Of that number a third of those are housed, another third finds housing themselves. Street Outreach and a Public Facilities grant was also submitted to increase the accessibility for clients.

Randy Brody asked about how the Hunger Project affects children. About 37% of the recipients of the Hunger Project are children. The program serves over 2500 children per year. At Steve O'Neil they also serve over 100 families.

Reyna Crow asked about street outreach connects individuals with services. How hard would it be to collect data about who is not being served currently? Ms. Stewart said that there are currently not being served and that are sleeping outside. To date there are 800 households on the Duluth Coordinated Entry waiting list which is not able to be served due to a 3.3% vacancy rate within the city. Ms. Stewart mentioned that emergency shelters were not supposed to be permanent resource for the community but because of the forces of poverty food shelves and shelters have now become that. Maude Dornfeld added additional detail about the 150 youth that are on the 800 household waitlist.

At 6:58p.m. the public Hearing was closed.

5) Finalize 2017 Action Plan & Funding Recommendations

- CD Committee Recommendation to the City Council:

CDBG Housing Funds

MOTION/SECOND: Mark Osthus made a motion for HRC Property Rehab to receive \$584,000, second by Hamilton Smith

VOTE: (6-1)

MOTION/SECOND: Mark Osthus made a motion to approve Eco3 at the recommended \$45,000, seconded by Reyna Crow

VOTE: (7-0)

MOTION/SECOND: Mark Osthus made a motion to approve One Roof Multi Family at \$150,000, seconded made by Hamilton Smith

VOTE: (6-1)

HOME Funding

MOTION/SECOND: Mark Osthus made a motion to approve all applications at their recommended funding levels. Hamilton Smith seconded.

VOTE: (6-1)

CDBG Public Facilities

Discussion:

UDAC, LSCHC, CHUM – no discussion

Fulton said that staff recommended to give the amount that was given to Avalon back to the Parks department. Avalon is not eligible for funding under public facilities. With this reason the funding that went to Avalon is being requested to be reallocated to the parks department.

Barbara Carr wanted to point out that the Irving Park application has programs as opposed to Lincoln Park being to rebuild bathrooms.

Carr wanted to fully fund CHUM and if possible fully fund Life House based on their comments tonight. Reyna Crow also mentioned that she would like to fully fund Life House and CHUM.

Carr said that she would like to use the \$50,000 and reallocate those funds. Reyna Crow said that she would like for Lincoln Park to come back next year or be added in if funding allows for funding in this category during the funding finalization.

Carr said that she would like to fully fund CHUM's request. With the remaining \$25,000 Take the \$50,000 allocated to Lincoln Park and give that to Life House to get closer to fully funding them. Increase Life House to \$155,000 with meeting the \$414,400 cap of the 15% of Public Services.

MOTION/SECOND: Reyna Crow made a motion to approve LSCHC for \$28,000. Branley seconded.

VOTE: (7-0)

MOTION/SECOND: Deb Branley made a motion to approve \$181,400 for CHUM's shelter and food shelf improvements, Brody seconded.

VOTE: (7-0)

MOTION/ SECOND: Randy Brody made a motion to approve \$50,000 for Irving Park, Hamilton Smith seconded.

VOTE: (7-0)

MOTION/SECOND: Randy Brody made a motion to recommend funding for Life House at \$150,000. Seconded by Cruz Mendoza.

VOTE: (7-0)

MOTION/SECOND: Cruz Mendoza made a motion to move \$5,000 from Lincoln Park and move it to Public Services funding source. This allocation would be in addition to the \$30,000 that has been recommended for Avalon Educational Institute. Brody seconded.

VOTE: (7-0)

MOTION/SECOND: Randy Brody made a motion to approve \$20,000 to Lincoln Park. Mendoza seconded

VOTE: (7-0)

MOTION/SECOND: Randy Brody made a motion to approve the remaining organizations as they have been recommended or not recommended. Hamilton Smith seconded. This included Life House at \$150,000.

VOTE: (7-0)

CDBG Public Services

Fulton drew attention to the letter from the CFO in regards to Avalon. He said that he would not concur with the recommendation of the CD Committee to City Council. He called attention to the required documents that HUD requires of applicants that the City has to adhere to when going through the audit system.

Carr said that Fulton was trying to level the playing field and make note of the risk that funding Avalon would potentially cause for the City's program.

Crow disagreed with Fulton and the memo from the CFO in regards to not funding Avalon.

Mendoza said that he would like to wait and hear from Washington D.C. as Mr. Manus mentioned that he would provide that additional information from HUD's DC office.

Carr asked if the committee could vote on the remaining applicants and wait for Avalon to get the remaining documentation that Mr. Manus mentioned.

Othus pointed out that City Council can reverse the decision that is made by the CD Committee.

MOTION/SECOND: Mendoza made a motion to fund Avalon at \$35,000. Seconded by Reyna Crow.

Discussion: Othus pointed out the lateness and incompleteness of their application should not be rewarded with a vote of approval.

Brody said that Avalon should be commended on the work that they do in the community.

VOTE: (5-2)

MOTION/SECOND: Cruz Mendoza made a motion for NYS to receive \$25,000. Deb Branley seconded
VOTE: (7-0)

MOTION/SECOND: Randy Brody made a motion to approve Life House at \$30,000. Reyna Crow seconded.

VOTE: (7-0)

MOTION/SECOND: Hamilton Smith made a motion to fund One Roof TLC Program at \$30,000. Randy Brody seconded.

VOTE: (5-1 Abstain: 1)

Discussion: Suzanne Kelley pointed out that under CDBG you cannot advocate for clients.

Cruz Mendoza mentioned that the Human Right Commission originally supported the TLC because of the fair housing act and need for discrimination in housing. In serving on the TLC Commission, Cruz said that he did not know how much fair housing they discuss

Cruz Mendoza made a comment on the 2017 DRAFT Action Plan draft- on page 64 says that TLC provides Fair Housing classes. He said that there needs to be more done on increasing the number of fair housing education within the City.

MOTION/SECOND: Cruz Mendoza made a motion to fund CHUM Shelter at \$40,000. Deb Branley seconded.

VOTE: (7-0)

MOTION/SECOND: Reyna Crow made a motion to fund the YMCA at \$10,000, Brody seconded.

VOTE: (7-0)

MOTION/SECOND: Cruz Mendoza made a motion to fund MACV at \$9,150. Randy Brody seconded.

VOTE: (7-0)

MOTION/Second: Hamilton Smith made a motion to fund Safe Haven at \$5,800. Randy Brody seconded.

VOTE: (6-1,
Crow opposed)

MOTION/SECOND: Cruz Mendoza made a motion to fund AICHO at Gimaajii at \$7,800. Deb Branley seconded.

VOTE: (7-0)

MOTION/SECOND: Hamilton Smith made a motion to approve Coordinated Entry at \$20,000.

VOTE: (6-1)

CDBG Administration

MOTION/SECOND: Reyna Crow made a motion to approve CDBG Administration as recommended. Deb Branley seconded.

VOTE: (7-0)

CDBG Economic Development

MOTION/SECOND: Mark Osthus motioned to approve economic development funding recommendations as is, seconded by Hamilton Smith.

VOTE: (6-0 Abstain: 1)

ESG Funding

MOTION/SECOND: Mark Osthus made a motion to vote on the ESG voting as a whole, Hamilton Smith seconded the motion.

Discussion: Reyna Crow made an amendment to break down ESG by organization. Cruz Mendoza seconded.

VOTE: (6-1)

MOTION/ SECOND: Motion made by Deb Branley to approve the ESG funding as recommended, after no discussion was had on the individual applications. Hamilton Smith seconded.

VOTE: (7-0)

6) Other Business

- Prepare for December 12th, 2017 City Council Meeting – Committee of the Whole 6p.m.

Fulton reminded the Committee that he does not concur with their decision made on Avalon. He said that his resolution to Council would not include that recommendation.

Fulton described the City Council Committee of the Whole will take place on the 12th of December. The committee will have a chance to discuss their recommendations with Planning & Economic Development Committee Chair, Councilor Barb Russ.

The CoW meeting is not a public hearing. This is an opportunity to make comments on the decisions that were made tonight. Any applicants wanting to make comments will need to comment at the regular Council meeting.

Special meeting from CD- proposed to meet at 5:15p.m. on December 12th. Suggestion for members of the committee to take a section of the funding amounts so that Chair Carr doesn't have to report and speak solely on the applications.

The Committee discussed changing funding from HUD. The Committee concurred that funding for Lincoln Park should be prioritized if available.

MOTION/ SECOND: Motion for a special meeting on December 12th at 5:15p.m. made by Cruz Mendoza, seconded by Randy Brody.

VOTE: (7-0)

The next meeting will be in January. Chair Carr will chair that meeting as her last meeting as being Chair. New leadership will be selected at that meeting.

Fulton said that a new appointment to the committee will be made. Abby Milnar has been appointed and will join the commission in January.

7) Adjourn

MOTION/SECOND: Randy Brody motion to adjourn. Cruz Mendoza seconded.

VOTE: (7-0)

Meeting adjourned at 7:45pm.