



Planning & Development Division
Planning & Economic Development Department

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Community Development Committee Meeting Summary

Tuesday, December 7, 2021, 5:30 p.m.
Virtual Meeting- Web- EX

1. Call to Order and Roll Call

Chair Pat Sterner called the meeting to order at 5:35 pm

Attending: Pat Sterner, Hamilton Smith, Theresa O'Halloran-Johnson, Steve Wick, Mike Mayou

Absent: Mark Osthus

Staff Present: Ben VanTassel, Suzanne Kelley, Phillis Webb

2. Approval of November 16, 2021 Meeting Summary

MOTION/Second: O'Halloran-Johnson / Smith moved to approve the meeting summaries. Vote (5-0)

3. Summary of 30-Day Public Comment Period

Attachment: Public Comment Summary & Comments Received.

Suzanne Kelley summarized the comments that had been emailed prior to the meeting. Commission read over public comments in support of the Green New Deal Housing application. Chair Sterner noted the public comment from One Roof Community Housing requesting an adjustment in the allocation for community land trust program applications.

4. Finalize Committee Recommendation: FY2022 Annual Action Plan

To ensure the Committee had a chance to review the different funding categories and topics presented in the FY 2022 Action Plan, each category was summarized, discussed/questions asked if any, and approved by the committee as a whole.

CDBG-Affordable Housing

Discussion: One Roof requested a change in the unit allocation for the Community Land Trust Program. Specifically, One Roof is requesting that three of the CDBG new construction units become acquisition-rehab units. This would result in 4 new construction units (2 funded by CDBG- \$130,000 and 2 funded by HOME- \$130,000) and 8 acquisition rehab units funded by CDBG (\$445,000). This change is due to Minnesota Housing Finance Agency (MHFA) awarding One Roof full funding for the Acquisition Rehab proposal and not fully funding scattered site new construction applications.

Commissioner O'Halloran-Johnson asked if the cost were going to be the same amount. Jim Philbin from One Roof stated that they asked for a substantial amount more than they previously have from MHFA knowing that costs will be higher due to Covid-19, and they now have all of the homes acquired that this new money would go into, which are houses ready to be worked on. The increased funding gives them confidence that they will be able to keep up with material costs and labor costs. No further discussion.

CDBG – Public Facilities

Manager VanTassel summarized the 3 applications, with 2 recommended for funding, and stated that the Safe Haven project is using a different funding source and is proceeding. There was also further discussion with the Blight Mitigation Specialist Pilot program. Commissioner Smith stated that his concern was with it being a pilot program, and that it should be funded by the city, rather than CDBG funds. His understanding is that if the program is successful they will be coming back each year. Also, he does agree with the intent of the program. Chair Sterner stated that from the previous meeting Jon Otis stated moving forward that with the results of the pilot will give the city time to look at their budget to begin underwriting it. The intent is to not come back to CDBG. Manager VanTassel stated that their application was originally for a 2 year pilot program. Part of the end goal of the pilot is to have it become a sustainable position. Commissioner Smith asked if this was the only funding source for this program, and VanTassel stated that it would be mainly funded through these funds. Commissioner O'Halloran-Johnson stated that she thought this program already has an individual in mind for the position. However, Manager VanTassel stated that they would be going through a hiring process. No further discussion.

CDBG – Economic Development

Four applications total. The public comment was received for Green New Deal Housing was in support of the project, along with having increased funding. This project ranked 4th out of the four applications received. This is the 1st year of the project requesting funds. Commissioner Wick asked about where this project was at with their CDBO certification. Manager VanTassel stated that they are making progress in submitting all the required paperwork. No further discussion.

CDBG – Public Services

No discussion/comments.

HOME Investment Partnership

Manager VanTassel noted the three projects. HRA's Tenant Based Rental Assistance (TBRA), Community Land Trust (CLT)/New Construction, and program administration. No discussion/comment.

Emergency Solutions Grant

Commissioner Mayou asked if any of the organizations reached out after seeing the initial funding recommendations. Manager VanTassel stated that when the city shared the initial funding recommendations and during the 30-day commenting period, he encouraged organizations to let the commission know how a reduced funding amount may affect the scope of the application. Seven comments were received. VanTassel also stated that HUD requires that the city put money aside for rapid rehousing and homelessness prevent, which is managed by HRA and agencies that are serving the recently homeless or on the edge of becoming homeless have access to these funds as well.

Planning and Administration

Manager VanTassel summarized the different levels of each categories. No discussion/comment.

MOTION/Second: O'Halloran-Johnson/ Wick moved to approve the 2022 funding recommendations to forward to city council. **Vote (5-0)**

Contingency Plan

After finalizing the funding recommendations for the FY2022 Annual Action Plan, Chair Sterner opened up the discussion to establish a contingency plan addressing any changes between actual funding amounts from HUD and the estimated budget.

After discussion, the following Contingency Plan was developed: If there should be a higher level of funding allocated to the city for FY 2022 than estimated, such funding shall be distributed proportionally to previously recommended projects that were not recommended to receive full funding, up to 1% of the final allocation, and if less funding is allocated, all projects shall be reduced proportionally up to 1% of the final allocation. If the final allocated amount varies by more than 1% of the estimated amount then the Community Development Committee shall reconvene and revise the funding recommendation and submit it to the City Council.

MOTION/Second: Smith/ Mayou moved to approve the Contingency Plan proposed above. **Vote (5-0)**

5. Committee of the Whole with City Council- Date and Process:

The Committee of Whole with City Council will be in January. When the date is confirmed staff will contact the committee.

Chairperson Sterner explained the presentation process. The Committee agreed upon the following preliminary assignments:

Wick- CDBG-Affordable Housing
Smith - CDBG Public Facilities
Smith-CDBG- Economic Development
O'Halloran-Johnson - CDBG- Public Service
Osthus - HOME Investment Partnership
Sterner- ESG & Planning Administration

6. Adjourn

MOTION/Second: O'Halloran-Johnson /Mayou to adjourn the meeting at 6:30 pm. **Vote (5-0)**