

**MEETING SUMMARY OF THE
COMMUNITY DEVELOPMENT COMMITTEE (CD Committee)
TUESDAY, DECEMBER 2, 2008 – 6:00 P.M.
CITY COUNCIL CHAMBERS – 3RD FLOOR – CITY HALL**

Present: Theresa Bobula, Scott Christensen, Howard Martz, Joseph Matthes, Jennifer Murphy, Patricia Tyler, Scott Wallschlaeger, Jennifer Baumann

Absent: Ron Bushey

Staff: Keith Hamre, Kathie Severson, Char McLennan, John Judd, Karen Olesen

Roll Call: 8 present, 1 absent, 1 vacant

**1. Introductions – CDC Chair
Overview of the Public Hearing and Process for Hearing Public Comment**

Joseph Matthes, Chair, called the meeting to order and conducted the roll call. He welcomed the audience, and reviewed the notice of the public hearing.

2. Overview of Public Comments received during the 30-day Public Comment Period – Keith Hamre

Keith Hamre related there was one written comment submitted, from Wende Nelson, Lake Superior Community Health Center. The roof replacement for the Center has been fully funded from another source, and they wished to withdraw the CDBG request (09-PF-03).

3. Opportunity for people to comment on the FY 2009 Action Plan Funding Recommendations

Dave Schaeffer – Mr. Schaeffer, with YMCA Mentor Duluth, spoke on behalf of the Youth Collaborative. He thanked the Committee for increasing this year's funding by \$1,000. The Collaborative anticipates additional participation in their programs, in part due the cuts in the City's Parks & Rec programs. The higher CDBG request, of \$150,000, was based on an increase in service goal from 880 participants this year, to 1,400 next year. It would be difficult to reach this expanded goal without the increased funding. Mr. Schaeffer asked the service goal be reduced to reflect the recommended grant amount.

4. Approval of Meeting Summary for October 28, 2008

Motion by Wallschlaeger, seconded by Martz, to approve the minutes of the October 28, 2008, meeting. Motion unanimously approved.

5. Finalize FY 2009 Action Plan and Funding Recommendations for Transmittal to City Council

Hamre explained the \$36,000 from the withdrawn application could be awarded to other projects, except in the public services category, due to the 15% “cap” on funding. Staff is recommending putting the \$36,000 into contingency, as HUD may allocate fewer dollars. In answer to a question on the likelihood of decreased funding, Hamre felt Congress may approve level, or some increase, as the infrastructure bill being discussed could include CDBG funds. In answer to a question, Hamre related that Minnesota Housing is administering \$38 million in Neighborhood Stabilization Program funding, and the City intends to submit an application in January, probably for rehab or purchase / rehab / resale activities.

Motion by Wallschlaeger, seconded by Bobula, to add the \$36,000 to the HRA Rehab Program, 09-HS-01, and if the HUD CDBG allocation is cut, the first reduction would be out of this amount.

Murphy asked if CHUM had been fully funded, and Hamre replied the \$36,000 is CDBG, not ESGP dollars. Martz asked how many homeowners could be assisted, and Hamre replied approximately six households with their sewer lines, or two regular homeowner rehab projects.

Martz asked to amend the motion to designate the \$36,000 for lateral sewer line assistance, and Wallschlaeger accepted. Motion approved unanimously.

Motion by Wallschlaeger, seconded by Christensen, to recommend the rest of the CDBG, HOME and ESGP awards as previously determined. Motion approved unanimously.

Discussion followed on what the CDC would recommend if the HUD allocation is less than budgeted. Last year, the Committee recommended a percentage cut across programs. It was pointed out that a medium priority, the Northeast Entrepreneur Fund's Growing Neighborhood Businesses (09-ED-04) request was recommended. This became a medium priority when the goal changed from jobs to businesses. In response to questions, Hamre provided additional information on Center City Housing's application (09-CD-03).

Motion by Wallschlaeger, seconded by Baumann, that if there is a shortfall, the \$36,000 recommended to the HRA for sewer line assistance would be cut, then the medium priority project NEF's Growing Neighborhood Businesses (09-ED-04), and then a proportional cut to all projects. Motion approved unanimously.

Discussion followed on what to recommend if there is an increase dollars. Last year, the recommendation was to fully fund the highest scoring public service projects, and then increases across the board.

Motion by Martz, to provide additional funds to Emergency Heating Assistance (09-PS-04), and the Damiano Center (09-PS-06), up to their requested amount. Motion failed due to lack of a second.

Bobula talked about encouraging realistic funding requests, and not rewarding inflated amounts. Murphy pointed out that some agencies are really struggling, and maybe they should receive additional monies.

Motion by Martz, to provide additional funds to Emergency Heating Assistance (09-PS-04), Damiano Center (09-PS-06), and the Duluth Human Rights Office (09-PS-10), up to their requested amount. Motion failed due to lack of a second.

Motion by Wallschlaeger, seconded by Christensen, to provide additional funds proportionally up to full funding of projects, in the Public Service category to provide additional funds to fully fund high priority projects first and fund the medium priority (09-PS-10) if there are any funds remaining. Bobula asked, and Martz concurred, to amend to delete funds for the medium priority project (09-PS-10), amend was accepted. Motion passed unanimously.

Hamre stated the CDC will meet and present the recommendations to the City Council at a Committee of the Whole meeting scheduled the evening of Thursday, January 22, 2009. The Council will act on the recommendations on Monday, January 26th. The next CDC meeting will be Tuesday, January 27th, where the topics of discussion will be the process to develop a new 5-Year Consolidated Plan in 2009.

Motion by Bobula, seconded by Wallschlaeger, to send the CDBG, HOME and ESGP funding recommendations to the Duluth City Council. Motion unanimously approved.

Hamre thanked Howard Martz for his service on the Committee, as his term will be expiring and all the Committee members for their hard work during this past year. Staff will be sending updates on the funding as available, and materials for the January meeting. Chair Matthes thanked those in the audience for attending tonight's public hearing.

Motion by Baumann, seconded by Murphy, to adjourn.

Meeting was adjourned at 6:58.

KO/KH/ko

**PUBLIC HEARING ON THE FY 2009 ANNUAL ACTION PLAN
FUNDING RECOMMENDATIONS
TUESDAY, DECEMBER 2, 2008 - 6:00 P.M.
COUNCIL CHAMBERS - THIRD FLOOR - CITY HALL**

ATTENDANCE

Rosemary E. Hampton
Kira Kallberg, TSA
Pam Benson, HRA
Martin Lepak, AEOA
Rebecca Ellenson, SOAR
Lynne E. Snyder, HRA
Kelly Looby, NYS
Jeff Woolverton, Life House
Sarah M. Priest, CAD
Mary Mathews, NEF
Erik Torch, Damiano
Dave Schaeffer, YMCA/Youth Dev.
Emily Larson, Duluth At Work
Wende Nelson, LSCHC

SPEAKER

Dave Schaeffer, YMCA/Youth Dev.