

**MEETING SUMMARY OF THE
COMMUNITY DEVELOPMENT COMMITTEE (CDC) MEETING
TUESDAY, OCTOBER 28, 2014 – 5:30 P.M.
COUNCIL CHAMBERS - THIRD FLOOR- CITY HALL**

Present: Randy Brody, Barbara Carr, Hamilton Smith, Deb Branley, Harrison Dudley, Jeffery Rosenthal, Reyna Crow

Absent: Justin Perpich, Kristi Gordon

Staff: Keith Hamre, Karen Olesen, Ben VanTassel, Suzanne Kelley, Michael Palermo

1. Roll Call

Carr called the meeting to order at 5:30PM. A Quorum was present.

2. Approve Meeting Summary for October 22nd Meeting

Rosenthal moved, Branley seconded motion to approve the meeting summary for October 22 meeting. Motion was approved unanimously.

3. Review of Community Development Manager's Funding Recommendation

Hamre explained that the 2015-2019 Consolidated Plan will be in a draft format on October 31 and the FY 2015 Action Plan and funding recommendations will be included. With the draft available on October 31st, the 30-day comment period will end December 1st. Tonight the committee will review preliminary recommendations.

Hamre reviewed the preliminary funding amounts. The recommendations were fairly close to the original category targets identified by the committee. There was a difference of \$787,000 between the amount requested and the amount recommended.

Hamre gave a brief summary of the HOME applications.

Hamre recommend the committee use the hold harmless amount for ESG, \$120,000.

Hamre summarized the affordable housing projects under CDBG. He suggested funding the LSS Center for Changing Lives for acquisition to help move the project along. Having the site acquired will give LSS a stronger application for state funding in the future.

Hamre recommended that the FY2015 pre-commitment for HOME funding for the LSS project be pushed to 2016. This would allow for LSS to resubmit for tax credits from the state. HOME funds have to be expended in a timely manner and that would not allow for any project delays.

Hamre discussed the difficulty the committee faces after finding out many of the applications that were contingent on tax credits were not awarded the tax credits. He recommended that the committee hold off on these projects until next year.

All Economic Development applicants scored over 80 points which were very good scores and all were recommended.

Hamre recapped all the public facility projects. He explained that he recommended the West Duluth food project for more funding than they requested because of new

developments that the project is looking to expand into Lincoln Park and can leverage other funding opportunities.

Hamre highlighted that only five Public Services projects received recommended amounts. Of those five, two were medium priority but received scores in the 80's and were recommended to receive half of requested. The remaining applications HO-01 to HO-07 were recommended to be part of the earmarked \$142,000 CDBG and additional ESG money. By December 1st, CD Staff hopes to have a definition of per unit service amount and benchmarks to use for allocating CDBG and ESG funds for homeless related services.

Hamre went on to discuss the Administration budget. HOME Administration had a requested budget of \$50,583 but was recommended for \$45,948. This was because the HRA requested an amount higher than the 10% administration cap so only \$8,500 will go to HRA. However, they can recoup some costs under program services costs.

Hamre explained the Community Development Division budget. There are 5.83 filled positions because of a half time secretary and 1/3 for Hamre as director. There are 2 senior planners and 3 planners IIs. The division does not have a manager or a planner I. The CD Division also pays the finance department for staff time. Other Post employment liability benefit will stay the same. The CD Division has a negative budget amount but the manager position is about 2/3 of that amount. Furthermore, other income comes from programs such as LEAD. The contract for all employees has a 2% increase.

4. Prepare Preliminary FY 2015 Community Development Program Budget and Action Plan and the 2015-2019 Consolidated Plan for 30-day Public Comment Period and December 2nd Public Hearing at 5:30 p.m.

Carr asked Hamre if the funds set aside for emergency services was sufficient or needed to be altered?

Hamre said that staff sat down with emergency service providers they explained that \$142,000, which is the same funding as last year, would be set aside. While the amount puts funding below the 15% cap for public services, the remaining can be used for Coordinated Assessment or added benchmarks.

Olesen thought the Agencies were satisfied that funding is not being reduced and they thought benchmarks might be ok to follow through with HUD guidelines.

Public Facilities will be the first to be discussed by the committee.

Brody liked the Bethel Project but didn't think it was a neighborhood facility and explained the different ways he was looking to fund it. It did not meet the criteria for a neighborhood facility.

Crow asked for clarification of the partners working on the West Duluth Food Access. VanTassel explained that Parks and Recreation, Planning, Community Development, Facilities Management, Junior League, Zeitgeist Art Center, Community Action Duluth, LISC, Duluth Community Garden Program have seen a blend in missions and are looking to include the School District and Whole Foods Co-op in the collaboration. There is a specific site identified in West Duluth and the collaboration is looking into Lincoln

Park. Hamre added that the Heathy Duluth Area Coalition participating and interested in a Lincoln Park location as well.

Brody motioned to accept the managers recommendations for the Public Facilities projects without alterations, Rosenthal seconded the motion. The motion passed unanimously.

Carr asked for explanation why the Multi-family Development project was not recommended for funding. Olesen explained that the application had many projects only one of which was ready to go. Particularly the Gateway Tower was not chosen by MHFA for tax credits so given the timeline of the HOME funds the project would not fit. Carr asked if this was something where we can do a recommitment.

Hamre explained that the 30 day comment period could be an opportunity to float out ideas such as pre-commitment.

Carr explained that it was hard to see the focus in the application with 3 projects. She asked staff if they thought Gateway was the highest priority of the 3. Olesen said that she wasn't sure but the pre commitment could be an opportunity to get their response.

Brody asked if they could address the issue in December.

Hamre said yes. They could do a pre-commitment tonight to generate comment or wait until December. Hamre noted that the committee is open to pre-commitment.

Brody motioned to propose soliciting input from 1Roof Community Housing as to what project they want to focus on and the Community Development Committee will consider a pre-commitment of \$200,000. Rosenthal seconded the motion. The motion passed with 6 ayes and 1 nay vote from Branley.

Smith motioned to accept the manager's recommendations for housing projects. The motioned was seconded by Branley. The motion passed unanimously.

Carr asked for discussion of the Economic Development applications. No discussion occurred.

Crow motioned to accept the manager's recommendations for Economic Development projects. The motion was seconded by Brody. The motion passed unanimously.

Carr asked to table the homeless related projects. Hamre explained that the five homeless projects will be in the FY 2015 Action Plan with homeless coordination as one project and explain how they will connect with ESG and the Continuum of Care.

Carr asked if the Washington Center Kitchen project was not funded would it affect NYS's proposal. Hamre was unsure.

Rosenthal Motioned to Approve 15-PS-01 through 15-PS-05 by manager's recommendation. Branley seconded the motion. The motion passed unanimously.

Carr asked for clarification of the LSS's funding request. Hamre said they requested \$500,000. He explained \$300,000 was requested for CDBG and \$200,000 for HOME.

Brody motioned to accept the manager's recommendations for the HOME Program

Hamre explained there is nothing for ESG funding which is shown on page 7. He directed them to Administration on page 8.

Crow motioned to approve the manager's recommendations for administration. Rosenthal seconded the motion. The motion passed unanimously.

Hamre announced that the 30 day public comment period will be October 31st to December 1st. The recommendations, FY 2015 Action Plan, and 2015 to 2019 Consolidated Plan will be on the website as of Friday October 31. The consolidated plan is in a new format due to the need to enter it into a web based.

5. Next Meeting

The next meeting will be December 2, 2014 at 5:30 in the Council Chambers.

6. Adjournment

Crow motioned to adjourn the meeting. The motion was seconded by Rosenthal. The meeting was adjourned at 6:15 P.M.