

**MEETING SUMMARY OF THE
COMMUNITY DEVELOPMENT COMMITTEE (CDC) MEETING
TUESDAY, April 22, 2014 – 5:30 P.M.
COUNCIL CHAMBERS -THIRD FLOOR- CITY HALL**

Present: Justin Perpich, Barbara Carr, Randy Brody, Debra Branley, Harrison Dudley, Kristi Gordon

Absent: Reyna Crow

Staff: Karen Olesen, Ben VanTassel, Michael Palermo, Char McLennan and Suzanne Kelley

1. Introductions and Roll Call
 - a. The meeting was called to order at 5:32 PM. A quorum was present.
2. Approval of Meeting Summary from March 25, 2014 CD Committee meeting.
 - a. Motion by Carr, seconded by Brody to approve the meeting summary for March 25 as submitted. Motion approved; unanimously.
3. Economic Development Discussion Follow Up
 - a. Palermo handed out a written response from Emily Larson the Duluth@Work Coordinator to questions from the March 25 meeting.
 - b. Palermo presented the response and provided information about trades programs available in Duluth.
 - c. Dudley asked how likely it was that someone who was struggling and entering a Duluth@Work program would be to get placed in a trades program. Palermo explained that it's pretty unlikely unless they were to enter SOAR who sponsors a welding program.
4. Neighborhood Plan Priorities and Accomplishments Discussion
 - a. VanTassel passed out a neighborhood plan developed in 2007 and updated in 2012. VanTassel explained that each plan contains an implementation checklist. The grid was broken out to highlight the CDBG eligible items. It was pointed out that the Community Development Economic Development programs are different than what is set in the neighborhood plans but it doesn't mean the items in the plan cannot be done.
 - b. Carr asked why we don't do Child Care and pointed out that Little Treasures is now located in the YMCA.
 - c. Carr asked if acquisition goes to bidders and VanTassel explained that it's more about acquiring empty lots for development than to sell property.
 - d. VanTassel also explained that in the past we would do more street improvements but with reduction in funds and elevation in cost it had much less of an impact.
 - e. VanTassel pointed out the lack of public service items in the neighborhood plans. The plans mostly focus on physical improvements that CDBG can fund.
 - f. Perpich asked if the sidewalks at 57th east were paid for by CDBG, VanTassel was unsure.

- g. Brody asked if a business group/City department ever applies for funds? VanTassel said we work closely with City departments for assessments. City departments do apply for public facility funds.
 - h. Perpich asked about reusing Morgan Park School. VanTassel explained that while there was a call to reuse the school, residents resisted using it for housing. It is a big building and a bit isolated for many uses.
5. Consolidated Plan Public Input Review
- a. VanTassel present about the Community Development Division's public input process which includes a survey. The goal of the survey is to identify community needs. It was sent out on Facebook and by email. The survey attempts to run the gamut on issues that impact low and moderate income people. Many of those issues are difficult. There are questions pertaining to Duluth@Work. Staff hoped to have the survey tabulated by next meeting.
 - b. Brody like the survey and thought I was a good length. VanTassel commented that there have already been 8 completed surveys which is closing in on the 25 people who came to the public meetings last year.
6. Public Services Discussion
- a. Olesen discussed Public Services. She explained that CDBG primarily funds 3 categories under public service including Food, Health, and Homeless programs. Olesen pointed out that the Hunger Coalition has been serving less and less people from its high in 2010. She thought it would be prudent to ask during our CAPER. Karen doesn't know why less are being served. It could be that there is less need or it could be that there is less money.
 - b. Olesen also discussed health. The Lake Superior Community Health Clinic has seen an increase in number served over the past 2 year. However, with the Affordable Care Act it is difficult to determine what the gaps will be. Olesen suggested keeping a close eye on the LSCHC over the next 2 to 3 years to see how their funding changes. Olesen suggested funding dental because it is not covered by the ACA. Gordon pointed out that dental care is actually covered under the ACA as it counts as preventative care. Gordon also pointed out that the ACA greatly expands access to coverage for low-income people, and we should see the gap in coverage shrinking. Karen followed up that the system is in flux, and it is unclear how CDBG will factor in the next 2 years.
7. Homeless and Continuum of Care Discussion
- a. McLennan gave a presentation on ESG, CDBG and The HEARTH Act. The presentation explained the difference between CDBG and ESG and how they have funded transitional housing and shelters in the past. She pointed out that the majority of homeless service providers receive funding under both categories for the same programs. The City allocates approximately \$300,000 a year for homeless services (combined ESG and CDBG Public Services). The HEARTH Act requires ESG funding to be more targeted and performance based with a focus on outcomes such as reducing the number of days in shelter, reducing the number of homeless persons on the street and staying in shelters and reducing the number of persons that return to shelters.

To achieve these goals, the HEARTH Act requires that communities focus on maximizing community resources and planning to create a more efficient and cost effective homeless service delivery system.

McLennan further shared with CD members research from HUD and the National Alliance to End Homelessness that shows communities are shifting funding away from Transitional Housing, which is the most expensive housing model, to more cost effective and efficient models such as Rapid Re-housing and Permanent Supportive Housing. She further pointed out that research shows transitional housing may be better suited for targeted populations such as youth and persons transitioning from institutions to community living.

In order to implement these changes, CD staff are proposing shifting 50% of Transitional Housing funding in 2015, and an additional 25% in 2016 and the remaining in 2017.

- b. Brody asked for clarification that staff is recommending shifting from transitional housing to rapid rehousing. McLennan said yes, and added that HUD is also moving in this direction. Brody also asked if any of the providers are making this switch. McLennan explained that a portion of 2014 CDBG funds are being directed away from transitional housing and shelter but will be available under rapid re-housing, so it will remain to be seen if and how providers access these funds. It's been difficult to get providers to change from the old model which focuses service 'in house' to getting people housing first and then provide home-based services using a 'minimum touch' approach.

McLennan pointed out that starting last September, a portion of ESG funds has been available for providers to help people get housed using the rapid re-housing approach, but she also expressed concern that the funds are not being used as quickly as they need to be, and is therefore looking at working with the CHUM shelter to do some targeting at their family shelter in order to spend the funds in a timely manner so that we do not jeopardize losing the funds.

Brody asked about the supply of housing and its effect on placement. McLennan explained that, while the vacancy rate in Duluth has increased slightly, it is still low at 3.7%, and this does have a negative impact on how quickly people can find housing, especially homeless who have multiple housing barriers such as past evictions or criminal histories. Olesen pointed out that transitional housing could be converted to permanent supportive housing and be similar to San Marco, which has been a very successful model. Perpich asked about the supply of market rate housing and its effect on affordable housing. Olesen explained that the entire housing market is tight and this pushes a person who can afford a nicer place into more affordable housing, which then pushes a low income person out of that housing and into sub-standard housing.

Olesen followed up by asking if shifting funding to rapid rehousing was something the Committee can see supporting. The members all agreed that they could despite Olesen's warning that the committee may receive pushback from the homeless service providers. Brody commended staff for providing good research. Perpich commented that rapid re-housing seemed to be a better bang for your buck than transitional housing. Olesen also pointed out that it makes family situation better and allows the children to understand a normal system of housing. Gordon thinks that it does a good job stepping in before families are forced to transition and lose their opportunities.

McLennan next expanded on the HEARTH requirement that communities focus on maximizing planning and resources to create a more efficient and cost effective homeless crisis response system through the development and implementation of a Coordinated Access model that standardizes and coordinates the process by which homeless persons are assisted and minimizes the number and method by which homeless persons enter the homeless response system and receive guidance on the appropriate programs to access.

Brody motioned to adjourn the meeting, Gordon seconded. Meeting adjourned at 7:15.

Next Meeting: The next CD Committee meeting will be **May 27th, 2014, at 5:30 pm.**