

**MEETING SUMMARY OF THE
COMMUNITY DEVELOPMENT COMMITTEE (CDC)
TUESDAY, AUGUST 23, 2011 – 6:00 P.M.
CITY COUNCIL CHAMBERS – THIRD FLOOR CITY HALL**

Present: Bill Kimbler (2nd Vice Chair), Deb Branley, Dan Nyquist, Michael Ramsey, Kristi Ann-Agnes Gordon and Daryl Yankee

Absent: Patricia Tyler, Jennifer Baumann, Scott Wallschlaeger, Rita Tercero and Jim Gaylord

Staff: Keith Hamre, Karen Olesen, Char McLennan, Ben VanTassel and Suzanne Kelley

Roll Call: 6 present and 5 absent

Public: See attached list.

1. Approve Meeting Summary from June 28, 2011

A motion was made by Daryl Yankee, seconded by Michael Ramsey to approve the minutes of the June 28, 2011 meeting. Motion was unanimously approved.

2. Review of Pre-Applications for FY 2012 Funding Round

Keith Hamre gave an overview of the Pre-Application process. Agencies must submit a pre-application if it is a new project or if the agency is making changes to project funded in the past such as an increase or decrease in service or funding. He also provided information about the reorganization within the ESG program and homeless funding in the CDBG Public Service category. As a result, all agencies requesting funding in these areas were asked to submit a pre-application.

Committee members asked questions of many, but not all, of the agencies submitting pre-applications. Questions, comments and recommendations for submission of full applications are as follows:

Economic Development

Northeast Entrepreneur Fund (NEF) was the only agency to submit a pre-app under the ED category. NEF's previous funding had been based on a 3-year application and the agency is requesting less funding (\$64,000) and proposing a 2-year application.

A motion was made by Bill Kimbler, seconded by Kristi Ann-Agnes Gordon, and approved by all to request a full-application from Northeast Entrepreneur Fund.

Public Facilities

Four pre-applications were submitted under the PF category. The Committee asked questions of all of them before making their decision about which applicants should submit full applications.

Lincoln Park School Redevelopment The HRA is requesting \$250,000 this year and for the next three years to acquire, demolish and rebuild the Lincoln Park school for multi-purpose reuse. Part of the building will provide approximately 54 units of independent and assisted living for seniors, part of the building will be renovated for use by the Boys & Girls Club and a third part of the building will be targeted for use by non-profit and other organizations. The committee expressed concern about committing \$1 million in CDBG funds over the next four years. However, members also commented on the need to preserve this building and help revitalize the Lincoln Park neighborhood. The committee would like to see a commitment from IDS #709 on helping with this project before committing CDBG funds in 2012 process.

A motion was made by Bill Kimbler, seconded by Dan Nyquist, and approved by all to have the HRA move forward with a full application for this project.

Damiano Center Kitchen The Damiano Center is requesting \$325,500 to renovate their kitchen and dining area. The committee asked about the renovations being proposed for this project. Dave Benson, Director at Damiano, stated that they have seen a 40% increase in usage at their meal program since the recession. That, along with the old age and condition of the facility, requires that upgrades be done. CDBG funds would be used for expansion at both ends of the building to increase the size of the kitchen and dining area and to set infrastructure in place for future upgrades to these areas. Dave also stated that a donor would provide some matching funds for the project.

A motion was made by Bill Kimbler, seconded by Dan Nyquist, and approved by all to request a full application for the Damiano Center kitchen renovation.

Duluth Farmers Market The Farmers Market is requesting \$85,000 to purchase two parcels of land—the land which the existing structure is on and the lot to the West and across the creek from that property, and to make improvements to the existing building. Committee members asked about seasonal operation, usage by LMI people and asked if they have done any tracking of this. Jim Laumeyer responded that the market is open two days per week (Wednesday and Saturday) between April and October. He also stated that they recognize a high usage by people from the neighborhood (which is an LMI area) and also by people using EBT cards payment, but stated that they do not formally track usage. Committee members commented that this project does not directly meet the CDBG mission statement and expressed concern with supporting a project that is seasonal and, therefore, could not support it moving forward.

A motion was made by Mike Ramsey, seconded by Dan Nyquist, and approved by all to recommend the Duluth Farmers Market not submit a full application.

Sacred Heart Music Center Sacred Heart is requesting \$50,000 to replace the roof and repair the tower on the Music Center building. Committee members asked about what is different from the request submitted last year and this request. Dr. Aas stated that the building may be condemned if the tower is not repaired. He also reported that the cost of repairs would be about \$450,000 and that he has a commitment from the Legacy Fund for most of the cost and the state would provide approximately \$50,000, and some private donations have been made. He further stated that usage of the facility has increased over the past few months. Committee members stated that this project does not meet the mission statement and expressed concern that the organization has not done any additional fund raising that the committee suggested last year or that they have not generated additional funding through the increased usage and because it was a recommendation of the CD Committee last year when funds were requested.

A motion was made by Daryl Yankee, seconded by Bill Kimbler, and approved by all to recommend the Sacred Heart Music Center not submit a full application. However, the committee requested that Community Development staff assist Sacred Heart with an application to the Legacy Fund as they did with the jail.

Housing

Centralized Intake Process The City of Duluth is requesting \$450,000 to partner with the HRA, NCLT, NHS, AEOA and other housing organizations to streamline the intake process and create efficiencies through the formation of a centralized Intake process. Keith Hamre explained that currently each of the agencies conduct its own intake and screening process, do its own income verification and environmental review, inspections, Davis Bacon and reporting along with a number of other duplicated procedures. At last year's application review, the committee stated that they would like to see agencies taking steps to cut costs and create efficiencies. Activities proposed would partner all the housing agencies with the Community Development Division to do that. Keith estimated that this would reduce staffing needs among agencies by 2.5 FTEs. The committee stated that they would like to numbers presented in a full application to show savings.

A motion was made by Bill Kimbler, seconded by Mike Ramsey, and approved by all to request a full application for the Centralized Housing Intake Process.

AEOA Weatherization AEOA is requesting additional funding (\$312,000) to provide weatherization activities to 62 homes—an increase of 10 homes over their 2011 goal. Martin Lepak stated that this program serves 100% low-income households. Martin also stated that this program received less CDBG funding in 2011 because it also received federal stimulus funding to do weatherization. The committee stated that additional funding may not be feasible, but recommended submitting a full application.

A motion was made by Bill Kimbler, seconded by Dan Nyquist, and approved by all to have the AEOA Weatherization move forward with a full application.

Housing for Inmates (HGFI) Housing for Inmates submitted an application for \$100,000 to purchase a site for the Housing for Inmates Transitional Housing Project. The committee asked if this housing was based on any model. Eric Blomstrom and Sandy Bennet, consultants with HFI, stated that the programming model to be used is based on the Model for Cognitive Change (used in the Twin Cities) and housing is somewhat based on other half-way housing. Committee members also asked about activities completed under the Planning Grant awarded to HFI. Eric stated that he has come on board to help get them completed and expects to have all planning activities done within six months. The committee expressed concern that this project has more work to do before it is ready to purchase a building and start a new program by the beginning of the next funding round. Would like to see this project further before applying for funding.

A motion was made by Daryl Yankee, seconded by Bill Kimbler, and approved by all recommending that Housing for Inmates not submit a full application at this time.

Public Services & ESGP

Clothes that Work Damiano Center is requesting additional PS funding (\$40,000) for the Clothes that Work program. Committee members asked about the increase, but were informed by Dave Benson that the request was in error and that this program is not seeking additional funding.

Feeding Kids Thru Youth Programs YMCA is the applicant for this project, requesting \$25,000 in PS funding for the four-agency collaborative (YMCA, Boys & Girls Club, Valley Youth and Grant School Collaborative) who provide after school and summer youth enrichment programming. Dave Schaeffer explained that their pre-application is more focused on the service that these agencies provide that is in line with direct need—feeding the kids during program hours. The committee asked if the Youth Collaborative will also be submitting a full application for the after school and summer programming. Dave said ‘no, this is the only application being submitted’.

Homeless Funding Char McLennan explained about the reorganization of homeless programming within the Public Service category and under the ESG program, and that all agencies receiving homeless funding were asked to submit a pre-application because funding amounts will be changing based on the following. This year’s Public Service funding allocation will be used for support services (staffing) based on a set amount multiplied by the number of persons served. ESG funding will be used for the operation of the facility (utilities, insurance, etc.) only and determined by a set amount multiplied by the number of beds in the shelter or transitional housing facility. Staff noted that with full applications, agencies are required to include information on prescribed outcomes established as part of the reorganization.

- ◆ CHUM Emergency Shelter is requesting \$43,880 in PS funding for staffing and \$34,480 from ESGP for operation of the facility.

- ◆ Safe Haven Shelter for Battered Women is requesting \$20,000 in PS funding for staffing and \$21,060 from ESGP for operation of the facility.
- ◆ AICHO Emergency Shelter for Battered Women (Native American focus) is requesting \$25,000 in PS funding for staffing and no ESG funding.
- ◆ MACV is requesting \$17,600 in PS funding for staffing and \$2,160 from ESGP for operation of the veterans transitional housing facilities.
- ◆ The Salvation Army is requesting \$22,000 in PS funding for staffing and \$28,620 from ESGP for operation of the family transitional housing facilities.
- ◆ Center City Housing is requesting \$23,100 in PS funding for staffing and \$32,940 from ESGP for operation of the women's transitional housing facilities.
- ◆ Center City Housing is also requesting \$20,000 in PS funding for staffing for their Permanent Supportive Housing Program.
- ◆ Life House Youth Center is requesting \$8,100 in ESGP funds only for the operation of their youth transitional housing units.

A motion was made by Daryl Yankee, seconded by Bill Kimbler, and approved by all to request a full application from all the agencies that submitted pre-apps under Public Services.

A motion was also made by Daryl Yankee, seconded by Bill Kimbler, and approved by all to request full applications from all agencies that submitted a pre-app under the Emergency Solutions Grant Program.

Planning & Administration

Connecting Education, Sports & Recreation in West Duluth & Lincoln Park Committee members commented that this application does not meet the Resolution 11-C-01 funding strategy that states no new planning projects will be funded in 2012 due to funding reductions expected again this year.

A motion was made by Bill Kimbler, seconded by Kristi Ann-Agnes Gordon, and approved by all recommending that a full application not be submitted.

HOME

Karen Olesen provided some information to the committee about HOME projects. Resolution 11-C-01 set the funding target for CHDO Development at 0%. Karen explained that the reason for this was because both Center City Housing and the Land Trust had applied for CHDO funding from the State. She further explained that NCLT was denied funding right away because they do not develop housing outside of Duluth. However, because CCHC is doing development in other parts of Minnesota, they are still being considered for this funding (approximately \$50,000).

Nancy Cashman clarified for the committee that any development funds received from the State would be targeted at housing development outside of Duluth and the HOME funds requested in their pre-application would be used to develop housing in Duluth. Jeff Corey added that CHDO funds “set the table for future housing development.”

CHDO Operating Center City Housing Corp. is requesting \$18,000 in CHDO operating funds.

CHDO Pre-Development Northern Communities Land Trust is also requesting \$18,000 in CHDO operating funds for pre-development.

Hillside Apartments NCLT, the developer for the Hillside Apartment project, is requesting \$300,000 in HOME funds. In addition, this project was funded last year at \$200,00 and the committee pre-committed another \$300,000 from 2012 or 2013 CDBG funding. Karen Olesen explained that these funds would amount to less than 8% of the total for a project this big, which is average for the housing projects that have been developed in Duluth such as the San Marco apartments, the MACV veteran’s housing project and the AICHO permanent supportive housing project.

A motion was also made by Mike Ramsey, seconded by Bill Kimbler, and approved by all to request full applications from NCLT for the Hillside Apartment Project and for CHDO Development, and from CCHC for the CHDO operating, but to include documentation of the outcome of their application to the State.

3. Discussion on FY 2012 Action Plan and Budget Targets

Keith Hamre announced that the Action Plan and budget targets would likely be presented to the City Council in December. Keith further explained that 2012 housing funds are being focused more on rental rehab over owner rehab because there are other resources in the community for owner rehab such as NHS Neighborhood Works and MHFA Fix-Up funds.

The Meeting was adjourned at 7:30 p.m.

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ATTENDANCE

Jim Laumeyer, Farmers Market
Durbin M. Keeney, MACV-Duluth
Mackenzie Lucca
Susan Utech, Safe Haven
Kim Crawford, Life House
Tina Riley, TSA
Johannes Aas, SHMC
Dave Schaeffer, Duluth YMCA
Eric Blomstrom, Housing for Inmates
Sandy Bennett, Housing for Inmates
Dave Peterson, HRA
Martin Lepak, AEOA
David Benson, Damiano
Nancy Cashman, CCHC
Maria Danz, AICHO
Erich Lutz, Life House
Jeff Woolverton, Life House
Kira Kallberg, TSA
Jim Soderberg, CHUM
Kris Ridgewell, West Duluth CDC
Jeff Corey, NCLT
Mary Mathews, Entrepreneur Fund