

1. Meeting Summary

Documents: [M6040413MEETINGSUMMARY.PDF](#)

CDBG Working Group

DRAFT Meeting 6 Summary: March 28, 2013

Members: Chris Hall, John Shoos, Rob Wood, Karma O'Connor, Rich Cantz, Joni Boissonneault, Mike Rolland, Beth Campbell, Julie Chase, Tae Chong, Ed Suslovic,

Staff: Amy Grommes Pulaski, Maeve Wachowicz (note taker)

Review and Accept Meeting Summary

Meeting summary approved.

Discussion of Public Input Session

Amy explains that the goal for today's meeting is to prepare a document for next Wednesday's Public Input session. She reviews the current document. Things to decide include whether the document will be released in advance or at the forum, whether the group wants to require applicants to have partnerships, and the method of distribution of resources.

The group discusses the desired outcome of "change or increase in income" and whether wages or income is a better measure. Income can also include benefits which might not be reflected in someone's paycheck, but it is harder to measure compared to wages. The group also questions whether the applicant will be defining which outcomes they want to achieve and whether they have to achieve all three or just one.

One member raises the concept of using performance benchmarks as funding metrics for grantees. Possible benchmarks include creating a career/financial plan, employment, wage gain, and employment retention. The group then discusses the high level of case management needed to facilitate a benchmark process and whether realistically, there are too many metrics for the applicants. The group talks about how the funding would work and that the idea is to pay for outcomes, not for services provided.

The group then debates the outcome, "transition off of subsidies." One member thinks that connecting people with subsidies can be a benefit of the program, while others counter that the goal is an income increase and others think participants should not be penalized for being on income subsidies. Instead, the group decides focusing on employment retention is a more important outcome. They discuss that including a benchmark of any more than a year would be too long, and that 6 months is a good rule of thumb.

Amy advocates for including a plan or strategy for each individual seeking employment as a benchmark. The group debates whether such a plan should be considered an outcome with a funding benchmark or a strategy that is required of the applicants.

This leads to a discussion of how the grant will be disbursed. Amy explains that HUD needs to know the goals and the services being provided at the beginning of the process.

Applicants cannot receive money up front, they can only be reimbursed for expenditures. Therefore, the RFP should clearly outline what services the grant will pay for, and what services the applicant has to engage partners to provide.

To clarify the funding categories and limitations, Tae draws a diagram with a potential scenario. The scenario includes a \$200,000 grant. One quarter of that money, or \$50,000 would come from the Social Services pot of funds, as defined by HUD. These funds could be used for services or “soft skills” for individuals such as ESL, childcare, transportation etc. The other three quarters of the funding would be Development money, which would go towards the creation of micro-enterprise businesses, and working capital for business expansion that results in net new jobs. In order to utilize the Social Service money, which is geared towards individuals gaining employment, businesses will probably have to partner with service agencies. The group talks about how the perspective of the initiative should really be business expansion instead of workforce development.

One member asks whether applicants will be given preference based on the quality or the quantity of new jobs created and what the other criteria will be that the Allocation Committee will be looking for. The group discusses that the desired outcomes are:

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- Net new jobs
- Business expansion
- Net new income

They agree that transition off of subsidies should be eliminated as a primary outcome and could be tracked during the first pilot year.

Criteria would include:

- Clearly defined and achievable work plan
- Strength of partnerships
- Serving target and priority populations
- Return on Investment (ROI)
- Net economic benefit (income and multiplier effects)

The group discusses whether partnerships should be required and talk about scenarios where they would not be necessary, such as with a social enterprise. Amy clarifies that any new jobs must be supported by an income-generating activity.

The group then determines how to define return on investment. Beth notes that Maine Quality Centers use a formula that takes into account multiplier effects in a community. The group thinks that a worksheet to calculate ROI should be included in the application. *Beth will get the information from Jim McGowan and Mike will get definitions of employment target populations.*

The group goes over some of the other aspects of the summary, such as the 66% LMI requirement, that it will be a 2 year grant with no new applicants in year 2, and that HUD defines FTE as 32 hours a week.

One member advocates for presenting a potential scenario at the forum, but other members disagree. One member says the group should talk about the business aspect primarily, and not social services. Amy articulates that the purpose of this is to fund new or existing businesses to expand, while helping them to hire LMI Portland residents

CDBG Allocation Recommendations

Amy reviews the current year's CDBG recommendations, both from the Allocation Committee and the City Manager. The City Manager applied a percentage reduction to all Social Services in order to fund food programs and there are continuing opposing views on whether CDBG should fund job creation or the safety net.

The group discusses that this pilot is doing something innovative in order to attempt to eliminate the need for many of those social services by creating new jobs and employment opportunities for people. One member points out that this initiative was unanimously approved by the City Council. Another member illustrates the supply and demand curves of increasing social service needs and decreasing CDBG funding.

Input Session logistics

The Working Group nominates Chris to speak at the meeting. Amy encourages the group to forward the meeting notification to their contacts and colleagues and reminds them that the session is not only for explaining their work, but for listening to feedback. The group confirms that they would like to send the document out ahead of time and bring the work to the attention of the City Manager and the Mayor before next Wednesday. The results of the forum will then go to the Housing and Community Development Committee (HCDC).