



February 13, 2015

Sheila Hill-Christian, Acting City Manager
 City Hall
 389 Congress Street
 Portland, Maine 04101

Dear Ms. Hill-Christian,

We are pleased to submit the CDBG Annual Allocation Committee's recommended budget allocations for Year 41 of the Community Development Block Grant (CDBG).

On a national level, funding for the Community Development Block Grant has decreased by approximately 1.3% this year.

CDBG ALLOCATION	Year 40 FY 14-15	Year 41 FY 15-16	Difference in Dollars
Planning and Administration Cap	\$409,515	\$405,113	\$4,402
Social Service Cap	\$633,360	\$625,270	\$8,089
Development Activities	\$772,702	\$760,681	\$12,021
TOTAL	\$1,815,577	\$1,791,064	\$24,513

**The Development Activities amount for Year 40 includes \$275,000 of funds reallocated from contingency. There are no contingency funds available for Year 41 at this time.*

Based on Council approval, a portion of this year's Social Service and Development Activities funding will go toward funding the second year of the Employment Development Program. The amount of funding available for our annual CDBG process is in the far right column in the table below. Funding recommendations for the Employment Development Program will be presented separately.

CDBG ALLOCATION	Year 41 FY 15-16	Employment Development Program Funds	Amount of CDBG Funds Available for Annual Requests
Planning and Administration Cap	\$405,113	\$0	\$405,113
Social Service Cap	\$625,270	\$100,000	\$525,270
Development Activities	\$760,681	\$300,000	\$460,681
TOTAL Allocation	\$1,791,064	\$400,000	\$1,391,064

As in past years, the need for CDBG funding continues to exceed the amount of funds available. The total dollars requested is \$3,374,971 resulting in a gap of \$1,583,907 between CDBG funds available for annual requests and the total amount of annual requests. As in prior years, we were faced with

difficult choices in this year's recommendation process and struggled with which applications to recommend for funding. The Committee stayed focused on the scoring criteria in order to be fair to all applicants.

The following sections of this letter outline our funding recommendations. The first section explains the history and progress Portland's CDBG Program has undergone over the last four years. The second section provides a description of this year's process, how the applications were reviewed and scored, and finally our recommendations for funding.

HISTORY AND CURRENT STATUS OF THE CDBG PROGRAM

Over the last six years, the CDBG program has undergone significant review. This review resulted in changes to the allocation process as summarized below.

In 2008 the following steps were implemented:

Council Order 70-7/08 (HCD Task Force Ten Point Plan)

- Creation of the CDBG Priority Task Force
- Creation of the CDBG Annual Allocation Committee
- Funded projects are to be completed within two years of award

In 2009 the following steps were implemented:

Council Order 70-7/08 (HCD Task Force Ten Point Plan)

- CDBG Application process is to comply with the City's Purchasing Ordinance
- Council Order 91-08/09 (CDBG Priority Task Force Recommendations)
- Application and scoring reflect the goal of building strong, self sustaining neighborhoods by having applications address the priority impact areas and guiding principles.

In 2010 the final recommendations by the CDBG Priority Task Force were implemented, including:

Council Order 91-08/09 (CDBG Priority Task Force Recommendations)

- \$20,000 minimum request.
- Small grants in the amount of \$7,500 are available to social services for capacity building and to small businesses micro-enterprises for technical assistance
- Social service basic needs set aside for up to 10% of the HUD allocated CDBG grant
- Social service multi-year initiatives requests guidelines defined and encouraged
- Economic development job creation request guidelines defined
- The administration and planning request would be presented to and reviewed by the Committee, but would not be voted upon in a competitive environment

In 2011, the Council further reviewed the program and the implementation of all of the recommendations. Based on this review, the City Council implemented the following changes:

- *Eliminate* the small grants award of \$7,500 made available to social services for capacity building and to small businesses micro-enterprises for technical assistance
- *Eliminate* the social service basic needs set aside, previously set to be up to 10% of the HUD CDBG allocation
- *Lower* the minimum grant request from \$20,000 to \$10,000
- *Create* a maximum grant request per applicant:
 - \$150,000 for Social Service applicants

- \$250,000 for Development Activities applicants
- *Create a Maximum Cumulative Grant Allocation for City Applications*
 - 45% of funding available for Social Services
 - 85% of funding available for Development Activities
- *Create an economic development set aside/ cap for job creation for \$100,000*
- *Create a Priority Focus for Program Year 2011-2012:*
 - For Social Services additional points can be allocated for applications meeting the Work and Shop priority criteria
 - For Development Activities additional points can be allocated for projects located in Libbytown, Census Tract 20.02

In 2012 there were minor adjustments made to the allocation process

- Based on pressure and direction from HUD we will be paying our grantees based on a cost per unit of service. Each applicant has provided a cost per unit of service. Funded applicants will be submitting funding requisitions and be paid based on the number of units provided and persons served. This does not apply to construction projects.
- Staff will be administering bonus and penalty points on the applications.
- Priority for Social Service applications is child care. Priorities for Development Activities are job creation and projects located in Libbytown or Census Tract 20.02.

Additionally, in 2012 Priority Task Force focused priorities even further:

- To create Sustainable Workforce Development Program(s) that move Portland residents out of poverty into sustained employment and financial stability.
 - 1) Invest in businesses with Portland locations to enable them to expand and create jobs, as eligible by HUD regulations.
 - 2) Provide a continuum of services to increase a Program Participant's professional capacity, financial stability, and ability to maintain employment, through: career advancement services, financial stability and job retention support services.
- Place Program Participant's in newly created sustainable Portland-based jobs.

In 2013 CDBG Working Group determined how to implement the Priorities of the 2012 Task Force:

- Invest 1) in businesses to create net new jobs or 2) to create microenterprise businesses (businesses with less than 5 employees where the owner is LMI Portland)
- Fill 66% of the net new jobs with low to moderate income (LMI) Portland residents.
- Priority will be given to applicants that will hire or serve more LMI Portland residents, homeless persons, New Americans, or single-parent head of households will be given preference
- Set aside \$400,000 (\$300,000 in Development Funds and \$100,000 in Social Service Funds) for the new Workforce Development Initiative now renamed the Employment Development Program.
- Fund at least two applicants
- Funding requests can be for two years
- Tracking of jobs will be for two years after job creation or microenterprise creation
- Success will be evaluated based on return on investment (CDBG investment vs. increase of income of new employees/ business owners)
- The first round of funding will begin in 2014.

2014 Minor adjustments

- Priority for ALL Social Service and Development Activity applications is child care and basic needs. These applications will all receive an additional three bonus points.
- There is a set aside of \$150,000 for Community Policing
- Penalty points were reduced: errors are only 0.25 points, and blanks are not penalized.
- The Employment Development Program received a \$400,000 set aside, including \$300,000 from Development Activities and \$100,000 from Social Services

2015 Minor adjustments

- No Bonus Points
- There was a new “Construction Only” application
- Guiding principles were targeted for Development, Economic Development and Construction applications

THE PROCESS AND REVIEW

CDBG Applications were available on October 8, 2014. The mandatory applicant’s meeting was held on October 9, 2014 at 6:00pm in Merrill Rehearsal Hall. All applications were due on Thursday November 13, 2014 at 2:00pm.

We received fifteen (15) Development Activities applications and sixteen (16) Social Service Applications, along with an Administration and Planning request of \$405,727, for a total of \$2,974,971 in funding requests through our annual request process.

There was a total of \$1,699,418 of Development Activity requests with \$460,681 available, and \$869,826 of Social Service requests with \$525,270 available.

The Allocation Committee Review and Funding Methods

Our Committee first met for this funding year on December 18, 2014. The Committee met six (6) times to discuss Administration and Planning, Development Activities and Social Service applications.

The Committee read each application individually prior to the meeting. At the meeting the Committee would discuss each proposal. If questions arose, staff documented the questions and forwarded them to the applicant to answer. The answers were then shared with the Committee.

Applications were organized by score from the highest to the lowest within each category. The City Council has directed the Committee to recommend full funding based on request for all applications; therefore each applicant was awarded full funding, until the funding was exhausted.

RECOMMENDATIONS

Administration and Planning Funding

The Committee reviews information regarding Administration and Planning, but does not score the application competitively. Administration funding is essential for operating the CDBG program and

reporting to HUD. The Planning & Urban Development Department submitted a budget of \$405,727 and the Committee is recommending full funding based on HUD allocation.

Organization	Program	Request	Points	Comm. Recomm
Planning & Urban Development Department	Administration	\$405,727	NA	\$405,113

Development Activities Funding

The Committee received fifteen (15) Development Activities applications including construction and economic development, requesting a total of \$1,699,418, and only \$460,681 is available. The City Council’s *85% Rule for Development Activities* is still in place, which specifies that a maximum of 85% of the Development Activity funding can go to fund City applicants, the remaining 15% must go to outside requests. This rule did not affect the Committee’s recommendations this year. The following table outlines the highest scoring applications, their requests and the recommended allocation from the Committee.

Organization	Program	Request	Points	Comm. Recomm.
City of Portland Economic Development Department <i>Application #15</i>	Business Assistance Grant	\$150,000	91.8	\$150,000
Community Housing of Maine <i>Application #12</i>	CHOM Supportive Housing Development in Portland	\$250,000	91.3	\$250,000
City of Portland Planning Department <i>Application #14</i>	Bike Parking in East Bayside, Munjoy Hill, Libbytown and Parkside	\$17,500	88.2	\$17,500
City of Portland Public Services Department <i>Application #5</i>	Greenleaf Street Reconstruction	\$218,000	87.7	\$43,181*

*The amount of funding available for Greenleaf Street is only \$43,181. HUD regulations do not allow “banking” of funds until more funds is available. Therefore the committee recommends putting \$34,875 toward the next highest scoring application: Assets for Artists. For the remaining \$8,306, the committee recommends putting the funds toward Big Belly Solar Waste Compactors because it is the next highest scoring applicant which can utilize that amount of funds.

If additional funds are available through contingency the Committee recommends funding the next highest scoring project which can successfully utilize the funds available.

Social Service Funding

The Committee received sixteen (16) Social Service applications, including a \$150,000 request from Community Policing which will be funded through a set-aside. There is \$869,826 of Social Service requests with \$525,270 available. The City Council’s *45% Rule for Social Services* is still in place, which specifies that a maximum of 45% of the Social Service funding can go to fund City applicants,

the remaining 65% must go to outside requests. This rule did not affect the Committee's recommendations this year. The following table outlines the highest scoring applications, their requests and the recommend allocation from the Committee.

Organization	Program	Request	Points	Comm. Recomm
COP Police Development	Community Policing	\$150,000	Set-aside	\$150,000
Preble Street	Food Programs	\$50,000	95.8	\$50,000
Wayside Food Programs	Direct Service Programs	\$25,424	95.5	\$25,424
Preble Street	Resource Center	\$45,000	95.0	\$45,000
Amistad	Peer Support and Recovery Center	\$30,000	94.4	\$30,000
Preble Street	Florence House Women's Shelter	\$30,000	94.3	\$30,000
Preble Street	Joe Kreisler Teen Shelter	\$30,000	94.3	\$30,000
Milestone	Homeless Outreach & Mobile Engagement Team	\$75,000	93.1	\$75,000
Portland Community Health Center	Integrated Behavioral Health Program at 63 Preble	\$125,000	91.95	\$89,846

The committee recommends both Preble Street and Wayside to reach out to the Locker Project to see if there are possibilities for collaboration and sharing of resources.

Funding Caps

The current funding caps are \$150,000 for social service applicants and \$250,000 for development activities. The committee expressed concerned that one application is receiving more than half of the amount of development funds available. The committee is exploring various alternatives to lowering the cap in order to allow more projects to be funded.

SUMMARY

All projects that requested funding would be beneficial to our City, however due to limited dollars, not all were recommended for funding through this program. This is a competitive process; each applicant competed against all other applicants. The projects that are not being recommended for funding scored lower in the each of the evaluation categories, and therefore in total points. A spread sheet is attached which provides all scores for each application. A summary book can be provided to you upon request, and staff can provide a full version of all applications electronically.

As always, the Committee will continue to look for ways to improve the efficiency, effectiveness and transparency of the program. We welcome comments, suggestions, and feedback both from the Council and the public.

We thank you for your commitment to this program and your patience through its transition. We hope you are satisfied with the results.

We are especially grateful for our appointments to the Annual Allocation Committee, providing us with the opportunity to participate in this program, and offer our recommendations for your consideration. We look forward to seeing you on March 16 and April 6 and hearing your response.

Sincerely,

The CDBG Annual Allocation Committee for Program Year 2015-2016
Funding Year 2015-2016

Maxwell Chikuta, Chair
Jackie Wiegleb, Vice Chair
Matthew Birchby
Nadeen Daniels
Wendy Harmon
Rhonda Juneau
Annette Rogers
Matthew Purington
Jeff Schwartz

Attachments: CDBG Allocation Committee Funding Recommendations 2015-2016 (spreadsheet)

CDBG Allocation Committee Recommendations FY2015

Final
Allocation
2-10-14

Type	Priority	Organization	Program/ Project	Request	Priority Impact/ Goal 20 pts	Guiding Principles 35 pts	Partner/ Collabor 15 pts	Capacity to Deliver 30 pts	Penalty	Total	Committee Recomm	City Manager Recomm	Council Allocation
1	AP	All	Planning & Urban Dev Dept	CDBG Admin and Planning	\$405,727						\$405,113		

Total Admin & Planning Available \$405,113

Type	Priority	Organization	Program/ Project	Request	20 pts	35 pts	15 pts	30 pts					
15	ED	WS-JC	COP Economic Development	Business Assistance Program	\$150,000	18.4	31.3	13.9	28.2	0	91.8	\$150,000	
12	DA	HS	Community Housing of Maine	CHOM Supportive Housing in Portland	\$250,000	18.6	31.6	14.2	26.9	0	91.3	\$250,000	
14	DA	MA	COP Planning & Urban Dev	Bike Parking in E Bayside, Munjoy, Libbytown & Parkside	\$17,500	17.7	29.9	13.8	26.8	0	88.2	\$17,500	
5	CON	SN	COP Public Services	Greenleaf Street Reconstruction	\$218,000	17.3	32.4	11.3	26.7	0	87.7	\$43,181	
16	ED	WS-MICRO	Creative Portland Corporation	Assets for Artists: Portland, Maine	\$34,875	16.1	29.1	14.1	26.2	0	85.5		
3	CON	MA	COP Public Services	Reiche School- Brackett Street Pedestrian Safety Project	\$118,430	17.6	31.2	11.7	24.3	0	84.8		
4	CON	MA	COP Public Services	Libbytown Pedestrian Accessibility Improvements P3	\$233,091	16.8	30.5	11.1	26.1	0	84.5		
7	CON	SN	COP Public Services	Big Belly Solar Bus Stop Compactor Deployment	\$50,628	16.7	30.6	10.9	25.9	0.25	83.85		
9	CON	WS	Learning Works	Renovation of Historic 181 Bracket Phase 2	\$121,900	16.5	28.9	11.1	26.3	0	82.8		
8	CON	SN	COP Public Services	Tree Planting	\$15,000	17.4	31.3	8.1	25.7	1	81.5		
2	CON	MA	COP Public Services	Curb Ramps	\$50,000	17.4	30.5	7.8	25.3	0	81		
10	CON	WS	Catherine Morrill Day Nursery	CMDN Frontage Restoration Project	\$78,942	15.8	28.0	11.1	25.5	0.5	79.9		
6	CON	MA/ SN	COP Recreation & Facilities	Cliff Island School Playgrounds	\$52,700	15.8	27.6	11.3	24.7	0	79.4		
11	CON	HS	Catherdral of St Luke	The Deanery	\$243,352	17.6	27.8	13.6	21.2	1	79.2		
13	DA	HS	Machigonne Comm Land Trust	Luther Street Home	\$65,000	14.8	25.9	13.2	23.4	0	77.3		

Total Development & Econ Dev. Requests \$1,699,418
Total Development & Econ Dev. Available \$460,681

Total \$460,681 \$0 \$0

Type	Priority	Organization	Program/ Project	Request	Priority Impact/ 20 pts	Guiding Principles 35 pts	Partner/ Collabor 15 pts	Capacity to Deliver 30 pts	Penalty	Total	Committee Recomm	City Manager	Council Allocation
17	SET	SN	Police Department	Community Policing	\$150,000						\$150,000		

22	SS	BN	Preble Street	Food Programs	\$50,000	19.9	33.8	14.3	27.8		95.8	\$50,000	
27	SS	SN	Wayside Food Programs	Direct Service Programs	\$25,424	19.4	33.5	14.4	28.2		95.5	\$25,424	
20	SS	BN	Preble Street	Resource Center	\$45,000	19.5	33.6	14.1	27.8		95	\$45,000	
25	SS	SN	Amistad Inc.	Amistad Peer Support and Recovery Center	\$30,000	19.2	33.2	13.8	28.2		94.4	\$30,000	
21	SS	BN	Preble Street	Florence House Women's Shelter	\$30,000	19.4	33.2	14.1	27.6		94.3	\$30,000	
23	SS	BN	Preble Street	Joe Kreisler Teen Shelter	\$30,000	19.4	32.7	14.4	27.8		94.3	\$30,000	
28	SS	SN	Milestone	Homeless Outreach & Mobile Engagement HOME Team	\$75,000	18.9	33	14.2	27		93.1	\$75,000	
26	SS	SN	Portland Comm Health Center	Integrated Behavioral Health Program 63 Preble	\$125,000	19.4	33.4	11.4	28	0.25	91.95	\$89,846	
32	SS	WS	The Opportunity Alliance	Parkside Neighborhood Center	\$55,000	18.7	31.6	13.9	27.7		91.9		
24	SS	BN	Amistad Inc.	Amistad Peer Coaching Initiative	\$25,000	19.2	32.4	13	27.1	0.25	91.45		
30	SS	WS	Catherine Morrill Day Nursery	CDBG Child Care Assistance Program	\$99,402	17.9	31.1	14.6	27.4		91		
19	SS	BN	Frannie Peabody Center	Integrated Access to Care	\$40,000	17.5	30.9	13.8	26.9		89.1		
31	SS	WS	Learning Works	English Language Program	\$35,000	17.6	29.8	13.4	26.9	0.25	87.45		
18	SS	BN	The Locker Project	Feeding the Future	\$20,000	18.5	31.3	11.9	24.7		86.4		
29	SS	WS	Community Financial Literacy	Financial Education for Refugees and Immigrants	\$35,000	15.7	29	14.1	24.9	0.25	83.45		

Total Social Services \$869,826
 Total Social Services Available \$525,270

ALL CDBG REQUESTS TOTAL \$2,974,971