

An Overview of Portland's Community Development Block Grant Program

The City of Portland, Maine is an Entitlement Community for the Community Development Block Grant (CDBG) from the federal Department of Housing and Urban Development.

The goal of the CDBG program is to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expanded economic opportunities for low and moderate income persons.

The program achieves this goal through the development of partnerships among all levels of government and the private sector, including for-profit and non-profit organizations.

CDBG: Overview

- CDBG is important tools for helping local governments tackle serious challenges facing their communities.
- The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses.
- HUD provides grants on a formula basis to 1180 cities and counties throughout the country.
- Grantees carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, creating suitable living environments, providing decent housing, and improving community facilities and services.

CDBG: Goals or National Objectives

1. Benefit low and moderate income persons
2. Prevent or eliminate slum or blighted areas
3. Address an urgent or emergency community need

CDBG: Eligible Activities, including but not limited to:

- Planning and Administration
- Social Services
- Economic Development, Job creation
- Affordable Housing
- Public Infrastructure Improvements: Streets, Sidewalks, Parks, Gardens, Trees, Sewers, etc
- Public Facilities: Neighborhood centers, non-profit centers, and school building conversions for eligible purposes; Rehabilitation of residential and non-residential buildings, energy renovations; Historic Preservation

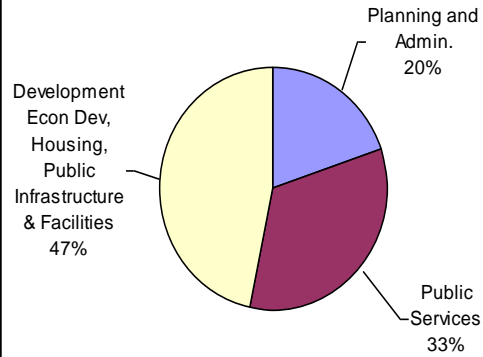
Funding Categories

20% Planning and Administration

33% Social Services

47% Development Activities:

- Economic Development
- Housing
- Public Infrastructure
- Public Facilities



Local Priorities

GOALS

- Neighborhood Investment and Infrastructure- *Create strong, safe, accessible and vibrant neighborhoods*- Invest in infrastructure to improve neighborhood assets and build strong, safe, accessible and vibrant neighborhoods. Improve accessibility through ADA compliance. Build sidewalks and trails to improve connectivity, increase the use of bicycles as a mode of transportation, and redevelop streetscapes to create shared streets for cars, bikes, and pedestrians that integrate with the fabric of the neighborhood. Support programs that increase safety in neighborhoods for residents and visitors.
- Housing Availability-*Increase housing availability and affordability*- Increase housing availability and affordability to all Portland residents regardless of income, race, ethnicity, and family size. Encourage housing development by removing barriers to traditional urban housing types while ensuring the inclusion of workforce housing in significant development projects.
- Economic Opportunity- *Create economic opportunities to transition people out of poverty*- Invest in Portland businesses to enable them to expand to create jobs. Invest in persons wanting to create microenterprises. Engage job seekers in a continuum of services to increase their professional capacity, financial stability, and ability to maintain employment. Focus on difficult to employ populations including homeless, new Americans and single parent head of households. Combine resources and build partnerships between public and private entities to provide opportunities to transition Portland residents out of poverty to sustainable employment and financial stability.
- Address the Needs of the Growing Homeless Population- *Prevent and reduce homelessness* - Prevent individuals and families from becoming homeless and entering into the shelter system. Rapidly rehouse those who enter the shelter system. Provide necessary resources to assist vulnerable population's transition out of homelessness, including housing opportunities for chronically homeless or long-term stayers at homeless shelters.

GUIDING PRINCIPLES

- Consistent. All projects and programs will be reviewed with respect to the Consolidated Plan and other HUD requirements; City goals, priority impact initiatives, etc.
- Measurable Community Impact. Programs and projects will be evaluated based on how well they create a significant and measurable community impact.
- Location. Programs and projects should focus on targeted locations within the eligible neighborhoods, for example: neighborhood commerce districts, proximity to new affordable housing development, and identified troubled areas in the neighborhood.
- Diversity and Inclusiveness. Programs and projects shall address diversity and be inclusive in order to engage differences and create a culture of belonging.
- Priority to Lower Incomes. Priority will be given to projects and programs that serve the lowest income persons.
- Leveraged Funding. CDBG cannot be the only source of funding for a program or project; leveraging other funds is essential.
- Sustainability. Programs and projects must demonstrate positive impacts on the environment, financially feasible, supportive to the community, and/or energy efficient in approach.

History of the CDBG Program and Priorities

Beginning in 2006 the CDBG program has undergone significant review. In 2006 the City Council created the Housing and Community Development (HCD) Task Force. This Task Force created Ten Recommendations, which were adopted by Council in October 2007. Recommendations included the creation of a Priority Task Force and an ongoing Annual Allocation Committee. The Priority Task Force conducted an in-depth community process that resulted in a new goal, priority impact areas, and guiding principles for the program, which the Council adopted in October 2008. Phased implementation of these Recommendations has occurred over the next two years, being fully implemented in 2010. Further adjustments of the program were made for the 2011 program year.

For Program Year 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
- Projects are to be completed within two years of being funded

For Program Year 2009 the following steps were implemented:

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

- CDBG Application process should 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.

For Program Year 2010 all recommendations from the HCD Task Force and CDBG Priority Task Force were implemented, including:

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

- \$20,000 minimum request.
- Small grants available to social services for capacity building with a maximum request of \$7,500 and available to small businesses micro-enterprises for technical assistance with a maximum request of \$7,500.
- 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.

Additional Changes Implemented

- 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.

Council expressed concern over the final implementation and requested staff and the Allocation Committee to make recommendations for further improvement. After review by the Community Development Committee, Council reviewed and approved the following changes for Program Year 2011, including:

Council Order 46-10/11 (Staff memo based on recommendation from CDC, and CDCG AC)

- Eliminate the Basic Needs Set-Aside, Social Service Capacity Building and Small Business Start up Grants.
- Lower Minimum Grant award to \$10,000
- Set Maximum Grant awards: \$150,000 for social services, \$250,000 for development activities.
- Create a maximum cumulative award for City applications per funding category: 45% of the social service cap and 85% of the development activities amount.
- Create a set-aside/cap for economic development job creation of \$100,000 within the development activities amount.
- Priority focus areas for current program year per funding category: Work and Shop as a priority impact area focus for social services, and Libbytown CT 20.02 for development activities location focus.
- Create a formal appeals process

2012 Minor adjustments

- 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.

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.

2013 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

- Bonus points were awarded to child care and Basic Needs applications. The committee reviewed all applications and determined if they should receive the additional bonus points.
- Created a new Request for Proposals seeking a lead agency for the Employment Development Funds in the amount of \$400,000.

2015

- No Bonus Points
- New "Construction only" application
- Targeted Guiding Principles for Development, Economic Development and Construction applications.

2016

- Created New Needs-Goals and Priorities for 2016-2020 Con Plan
- Created Target Neighborhood Investment- Bayside Neighborhood
- No limit on “Public Infrastructure applications”

2017

- Bayside Neighborhood remains Target Neighborhood for Investment

2018

- Updated “Neighborhood Investment and Infrastructure” and “Addressing the Needs of the Growing Homeless Population” on the 2016-2020 Needs-Goals-Priorities Chart

Resources

2006 Shapiro, Boxer-Macomber Memo

2007 HCD Task Force Ten Point Plan, Council Order 70-7/08

2007 HCD Task Force Report

2009 CDBG Priority Task Force Priorities, Council Order 91-08/09

2012 CDBG Priority Task Force Recommendations, Council Order 53-12/13

2013 CDBG Working Group Recommendations, Council Order 8-13/14

2016 5 Year Consolidated Plan, New Needs-Goals-Priorities, Council Order 197-15/16

2017 Revisions to the Needs Goals and Priorities Chart, Council Order 24-17/18