

CDBG Priority Task Force
Meeting 2: Wednesday June 11, 2008
8:00am- 10:00am City Hall, room 209

Attendance: Jon Bradley, Larry Gross, Rhonda Juneau, Denis Lachman, Raechel Weyand, Jeanmarie Celentano, and Kyra Walker. Shalom Odokara and Anna Priluck participated by phone. Staff members: TJ Martzial, Deb Marquis and Amy Grommes Pulaski.

1) Introduction, Welcome and Overview of Meeting

2) Nominations of Chair and Vice Chair, tabled until next meeting.

3) Review of CDBG Funding History

Amy introduces the CDBG funding history spreadsheet. Amy introduces the CDBG income limits, and TJ explains the difference between individual vs. area-wide low-moderate income benefit eligibility criteria.

TJ brings up the fact that Community Policing is heavily funded, but not listed on the priorities.

Jon Bradley explains the history of the program and how agencies that have been funded continue to get funded. If an agency is cut, they will lobby the councilors for funding, his agency included. The recommendations of the committee or the decisions of the councilors have never been defensible.

Deb explains that some of the agencies have been funded for 30 years.

Denis questions whether in-house programs are entitled to this program. Must we assume that in-house programs will continue to get funded or can we recommend other options?

Larry explains that what the council has done over the years is decrease the the number of in-house social service programs and transferred these programs to outside agencies.

Amy explains that the way Portland uses the CDBG grant is typical across the nation. When congress tries to decrease the funding of the grant, mayors from New York, San Fransico and other major cities lobby to keep the program funded. Decreasing the grant would affect their municipal budgets. There are pros and cons to keeping city programs, projects and staff funded with this grant.

Jeannemarie asks how in house programs will be funded or continued if it is not funded through this program.

Debb responds that it is likely they will not continue.

Jon explains that for example Homeless Health is almost entirely grant funded, but no outside agency would pick up that service. While it is a good philosophical question, each program has to be looked at individually.

Larry asks if in-house programs apply as well for funding as well. Amy answers yes most in-house Public Service programs receive funding from multiple sources. She explains that in-house programs have always presented to CMPAC (the citizen committee) . But this is the

first year they have submitted a written application. CMPAC often considers the department priorities when deciding which projects to fund.

4) Discussion with Joe Gray, City Manager

Joe Gray enters and discusses the CDBG grant and the City's finances. He explains the reason he is here is that he thought it would be useful to explain how the block grant fits into the City's finances. There are 3 components to the City's overall budget. The largest piece is the municipal budget or operating budget of approximately \$148M. This includes enterprise funds, like the jetport, enterprise funds add an additional \$32M accounts for a total of about \$180million. The schools impact this budget as well.

The 2nd component of the budget is the capital budget- largely infrastructure improvements: streets and sewer improvements, parks, improvements to public buildings. The capitol improvement budget totals \$10million each year. There is a part that exceeds that cap: the Combined Sewer Overflow (CSO), \$16million. We are in a consent decree to separate the storm and sanitary sewer in many parts of the city. The agreement will allow us to separate through 2013.

The 3rd component of the budget is the CDBG program. This has averaged \$2.3- 2.5 million each year. When the program began, and when he worked as the Planning and Development Director the CDBG grant was around \$5.5 million. A lot of this money was used to address a health issue in North Deering. All the homes were on septic and these funds were used to install a sewers.

The amount the City received in those first years was dependent on how much money you received from the Model City's Program which preceded the Community Development Block Grant. This was in the 1970s.

Joe reminds everyone the issues the City faced with the budget this year. Revenues are down, permitting etc. On the city side of the budget, staff recommended elimination of almost 100 positions. This was approved by Council, but there will still be a 3-4% tax increase. The CDBG grant helps to support a number of programs that could be funded through the general fund or through other revenues; however there simply isn't the cash to cover these programs. This applies for city staff positions as well, like in Housing and Neighborhood Services and in the Planning Divisions. The problem is if you switch all of the city expenses, projects, programs and staff, which are funded through CDBG, over to the general fund in one year, it would cause a 1% increase in the real estate taxes. Municipalities in Maine are heavily dependent on excise and property taxes to funds their services. It is very difficult to fund everything that a community wants, Portland is a community that enjoys and expects a high level of service.

The same is true with the improvements. The City spent a lot of money on Capital Improvements in the 1990's and as a result faced a threat of our credit rating being lowered. Debt service is currently 20% of the operating budget. In order to keep our good credit rating, in 2001 the City Council instituted at \$10 million cap to Capital Improvements. The City sells bonds to fund these improvements. The credit rating can cost you 3-5 basis points in bond interest. On a \$35million bond, 3-5 basis points can cost you a significant amount of future debt service. This year the departments requested \$27 million in capital improvement projects. These are all necessary and important projects so you have look for other funding

sources. One method to stretch the Capital Improvement Program (CIP) is to utilize CDBG funds in the eligible areas to improve sidewalks and streets and parks. In the future the city will not have the obligation it has had for the library and the extra expenses from the schools. At some time the city will have a discussion with the credit companies on raising the CIP \$10M cap.; we all know things are more expensive now than in 2001 when the cap was imposed.

There are a lot of pieces to the puzzle. Although CDBG has been cut to only \$2+ million, it plays a large part in the City's budgeting process. He is hopeful that there may be an increase in CDBG funds with the change of federal administration, but that is not secure. Larry wants to know what a bond company looks at to see that the city is thriving.

Joe Gray states the two people who review the City of Portland read the paper every day. They visit the city twice a year. They visit the parks, they talk to outside financial advisors, and they look at the spending patterns. These are all ultimately judgment calls. We have been fortunate on the city side the last few years we have been able to close with a modest surplus. We have had good surpluses and unexpected revenues that came in. That will not happen this year. The winter expenses were costly this year. One example of unexpected revenue is with the state revenue sharing, we may see some additional funds from that. We have a very stable political climate and this is important to credit analysts.

Denis states that Joe's explanation of the usefulness of the CDBG funds in the city budget is helpful and timely in our discussion. He asks Joe, can you imagine a transition scenario for the city picking up more of these improvements?

Joe states that it would depend on lifting the \$10million cap for capitol improvements. Also there has been an increase in outside physical improvement requests from non-profits. He wonders if all the requests are necessary. There may be other funding sources elsewhere.

Joe thanks everyone for doing this and take a fresh look at this program. It will be around for many years to come and having a fresh look at where its going and where it should go is an important issue. He offers to return to the Task Force in the future to discuss where the priority setting process may be headed and how that could effect the City's budget.

5) Identification of Team Leaders

Denis questions whether there is a tie between public improvements and planning. He asks whether the planning activities help to determine the public improvement projects.

Amy explains that there are planning portions of some public improvement projects, but there is no direct link between the planners and the parks or public works staff who presents their requests.

Denis asks if that link can be made and that the PI group and Planning Group could meet and discuss. He also asks if someone from planning could introduce to public improvements process. Planning could give a foundation for public improvement and the socials services.

Anna asks if we can brainstorm as a group as to what we each think the priorities of the city should be. What thoughts have each of us brought to the table? These can change, but it would be interesting to hear what people are thinking now. This can be discussed before we get information about how it has always been done.

CDBG PTF Brainstorm for City's Priorities

Rachel- Public improvement for transportation: pedestrian walk-ability of downtown and increasing public transportation, due to the cost of gas.

Larry is concerned with L/M income people and their ability to heat their homes this winter. He suggests a loan or subsidy program to pay for fuel or energy improvements that would reduce their reliance on high cost energy.

Anna is concerned with many of the same thoughts: increased fuel costs, transportation costs, food security and resource security. How do we get what we need here in Portland? How do we come up with sustainable and energy efficient housing.

Jon is concerned with housing, specifically for low and moderate income persons. The truth is that we don't have affordable housing so that people at 30-50% of AMI. Cost of fuel affect cost of housing. This concept ties to social services priorities to and improvements for housing, joining things together. The longer term efficiency, poverty, housing and food. People can't maintain what they have and cant' afford housing in Portland.

Denis is interested in quality of place. Portland is blessed with great geography, street layout that is authentic, but it needs to be taken care of and developed. The long term vitality of the city is the quality of place. All the components that have been discussed are included- walk-ability, housing and historic preservation support quality of place. This isn't just anywhere USA, it is Portland, Maine. We need to keep Portland on the map for continuous improvement.

Rhonda agrees with what Denis said. Portland needs to sustain what it has in terms of housing. For Low and moderate income individuals it is important and also where we want Portland to be and where it to go and who we want to encourage to be part of it. Portland needs to be a city we feel comfortable and safe in. Taking a look at our crime, looking at our blemishes and what change will affect that. Making this a city we want and we want to live in. Collaborate with universities. Let people participate and take ownership in their city whether its gardens or alley ways, being part of their city.

Kyra is hopeful that we don't look at single sources like housing or foods, but we look for leveraged funds or ability to pay for things elsewhere. Everything that is on here is important, although maybe CDBG shouldn't be used to pay for some of this, maybe its not the best use of funds. If things are not paid for here, is that ok, then where will funding come from?

Rachel TR appreciates what Kyra states. A better incorporation of disenfranchised parts of the community, that there is a broader, more diverse representation of the decision making. There needs to be a disruption of how things have been going. It needs to be shaken up.

Deb agrees to with what Kyra said. The way things have always been done may need to be changed. We need to broaden your horizons.

Kevin priorities are: neighborhood planning, neighborhood business district investment, food security and food planning, pedestrian infrastructure expansion, public safety, and increased communications.

Amy would like the priorities to be comprehensive and span across funding categories. We need to look at the grant in its entirety in order to make an impact. Collaboration is important.

Rachel TR expands on quality of place to quality of life. There are people in the city that do not have the same quality of life as others. Although Joe says we have a temperate political climate she disagrees. The quality of life for many people is not high.

Denis states that sustainability and green is rising in everyone's comments.

Jon discuss how the social services funding has traditionally been scattershots. He thinks we should have less grants, identify priorities and fund those with more money. He also wants to reiterate that some people who are being left behind. Use this money to think about creative ways on how to address the needs of the less fortunate and disenfranchised. Homelessness is on the rise, safety is an issue, drug abuse, all of this is related to quality of place. He want really prioritize the social services.

Anna connects all the other ideas people that were brought up. There are communities within the City of Portland that are growing above the status quo, the artist community, the buy local community. There are movements throughout this community that help to define our quality of place. There are other communities that have created themes in how they fund activities.

Larry connects everything under quality of place. He has recently read the Brookings Report and how it affects quality of place. He wants to relate the discussions here to the Brooking report for planning, and relate to what others have already done and how we can put our piece in to that roadmap.

Kyra at least meeting people's basic needs so the quality of life for everyone is improved. For example housing might help to improve the crime scene and health programs.

Rhonda says that maintenance should not be a part of the priorities. The small movements or groups that have similar thoughts as to what we are. We didn't mention businesses, but there are businesses that provide the grain of what defines Portland.

Jon would like to see the other city plans. City plan, transportation plan, bayside plan, downtown vision, art district plan, and housing plan.

Councilor Donoghue suggests reviewing the City's comprehensive plans. It is suggested that the Task Force review the executive summaries for the following plans: *Portland's Comprehensive Plan*, *A New Vision for Bayside*, *Downtown Vision*, *Housing Plan: Sustaining Portland's Future*, and the *Transportation Plan*. These are all located on the City's Website: <http://www.portlandmaine.gov/planning/complan.asp>

Denis asks if we can invite someone from planning to present these plans. He also requests a flip chart and marker be at future meetings.

6) Discuss Public Improvement Focus Groups

To be discussed at the next meeting.

7) Next Meeting

Wednesday June 23, 7:00pm room 24.