

CDBG Priority Task Force
Meeting 10: Tuesday August 26, 2008
6:30-9:00 Room 209

Attendance: Denis Lachman and Anna Priluck co-chairs, Jeannemarie Celentano, Frank Gallager, Larry Gross, Wendy Harmon, Rhonda Juneau, Kyra Walker, Rachael Weyand.
Guests: Dr. Charles Colgan
Staff members: TJ Martzial, and Amy Grommes Pulaski.

Housing Keeping

Amy reviews the agenda. She goes over the new schedule. She explains that they tentatively have a council workshop scheduled for October 6, however this is dependent upon the Mayor and City Manager to finalize. The next day, October 7 is a tentatively scheduled public forum. The other day for the public forum could be October 14, which squishes the time frame for writing the final report. The group agrees to hold the public forum on October 7. Kyra asks what we will put together for the final report. Anna responds that she has used the format for the HCD Task Force report and started to plug in info from this group. They discuss.

Amy also provides a summary of the previous meeting and the discussion about public facilities and historic preservation.

Slideshow

Amy presents the slideshow provided in their handout.

Discussion

Larry mentions that on the slide stating the purpose of CDBG it talks about providing for vulnerable populations. TJ mentions that is part of the initial priorities the task force discussed. Anna asks the group what providing services for vulnerable populations' means.

Anna brings up the idea of having separate set aside for public improvement. They discuss the controversy of paying with infrastructure improvements with CDBG or taxes.

Anna suggests the idea that funded planners help inform public services sidewalk and parks requests. We can have them coordinate together. Larry says that some of that might go on.

Larry continues if you look historically of what has been funded- there has been in-house and outside improvements there has been a history of allocations of projects competing internally or externally for years. They always debate how much can be covered without increasing taxes.

Larry suggests using a scorecard. Five checkmarks to pass first test, then second set of check marks.

Denis suggests that we spend the bulk of our time discussing guiding principles.

Amy says that the social service group also discussed certain topics as guiding principles.

Anna mentions the idea of splitting the cost of brick sidewalks between CDBG and city funds was discussed at the last meeting.

She also brings up the idea of only funding projects that has a direct benefit to low-mod income persons. She reviews the historic preservation discussion and also recommendation from the HCD Task Force.

Kyra says that the last meeting the guests discussed a theory of *build it and it will come*. She thinks they need to have a plan, even if it changes a plan should be in place. If CDBG funds go to fix a church than there should be some end impact for LMI persons. The upfront foresight and collaboration is important.

Larry says that refers to the concept of readiness- only funding projects that are ready to go.

Denis talks about some possible ideas. He suggests having needs based, impact based and hope based proposals. Hope is not needs or impact but may inspire change. Other ones are rewarding collaboration, multi-year awards, share the resources, reward significant community contribution, reward readiness, reward demonstrated need.

Larry asks how many principles we want. Rachael says once we have them up there we can decide.

Anna mentions working with USM.

Larry says that working with USM might fit into HOPE-based proposals.

Denis mentions hitting all HUD categories. He adds that as controversial. He says that might make social service amount to be less. Larry says it's not necessarily less, but that others who have been getting funding for other projects would now have to include social services.

Anna refers to the Boston RFP how their goal was to move people out of poverty- that everything they do would have to address housing and economic development.

Rachael likes the idea of point system. Not everything can be collaborative. They may need smaller proposals that will need to develop.

Denis says we can have some needs based, some impact based, and some hope based. Needs based may be very deteriorated sidewalks. Impact based may be the sidewalks that get us to the Bayside trail because its connection. Larry mentions sidewalks around places where seniors are. Larry says we could try to do all.

Kyra says what if its both, needs and impact based. Denis says it can be complimentary combination- needs and impact based.

Larry says that United Way has each partner agency having a logic model. Is that possible for public works or sidewalk projects?

Wendy says that we talked about having an umbrella idea or issue that we would work towards in the next 3-5 years. How would that than be reflected?

Larry says there has already been a lot of staff work on different plans- transportation studies, transit studies etc. We can look at that and see how CDBG can address it and how we can make an impact on that plan.

Anna says all projects must reflect with HUD requirements and City needs.

Rachael and Larry talk about a check list of requirements where the allocation committee and staff can figure out the points. Larry says our charge is to identify that we are going to have an impact on this neighborhood or these 2 or 3 issues.

TJ says this Task Force should decide what the priorities are and the staff will develop the RFP and scorecard to hand off to the Allocation Committee that reflects the priorities. This Task Force shouldn't get too involved in the RFP or scoring design.

Rhonda says we should consider the comprehensive plan. The priorities that we recommend should reflect the comprehensive plan. Whether it is the Bayside project or the transit project or the neighborhoods it would impact.

Anna says that's two separate recommendations - a project based priority and the other is reflecting the comprehensive plan.

Denis says there may be something we can't foresee at this time. We don't want to exclude that. He mentions a grand project that provides housing, economic development, etc.

Anna says there may be collaboration between all categories.

Rachel says more funding, less often.

Wendy mentions the other funding sources are not always apparent when public works proposes sidewalks. Sometimes there are sidewalk fees that could be funded by other means- but CMPAC never knew about those things until later.

Anna says that sounds like leveraged funds.

Denis mentions the idea of following or leading the market.

Anna mentions that the Cumberland County these was simply

- 1) share the wealth
- 2) community commitment
- 3) readiness
- 4) demonstrated need

Kyra comments instead of share the wealth it should be share the crumbs.

TJ mentions that guiding principles and values are different than structural changes. There needs to be a separate category for structural changes.

Kyra says what if the priorities change and they are funded in three years, than you have carry over grants.

Jeannemarie explains that they would continue to be funded.

Larry says there will be performance standards from the city. He doesn't think there will be great changes.

Anna asks if we could go through the different priority models. The group comments on each model.

Overall goal: Denis says that it's clear and comprehensive, so he likes it but it is also very exclusionary. Rhonda likes having an overall goal- it simplifies it. Simplification helps with measurability. That's a missing piece. It could be exclusionary but you could do a percentage idea.

Needs and Impact: Denis gives the needs and impact model thumbs up. Kyra says that it gets to the heart of the issue. She says that it does apply to all categories. Larry says we should have an impact on need. It does cut across all sub groups.

Focused Urban Development: Denis says the Lewiston model focuses on urban development. This is actually an example of impact, rather than a separate model. Frank says that you can lead

the market to that. Kyra says that this model is somewhat exclusionary. It's a long term impact- 3-5 years. It's indirect impact for LMI. Lacks immediacy on impact- it's more long term, meaning it sticks along longer. TJ say Lewiston model has a wow factor. Jeannemarie says that it requires a lot of buy-in from private sector. Not sure if that's good more bad.

Housing development : Larry says this could have a strong LMI impact. TJ explains that the housing development project was a downtown revitalization initiative and the city also spent hundreds of thousands of CDBG dollars to purchase many parcels of land along the river as an economic development activity and this is similar to Lewiston's wow-factor but with a slow impact. This type of model does lack immediacy but has a long term impact. Larry says in many other cities more of the CDBG funds are put into housing. This goes more along with national trends and HUD initiatives. However, it is a limited impact because of limited funds. It requires a lot of leveraging and takes time. Denis adds under positive there's an indirect impact of revitalization- stabilize a place. Jeannemarie say you also need to have support services. Housing development should be supportive housing or mixed use. TJ says that focusing on a smaller geographic area when developing housing will have a bigger impact. With the Housing Rehab Program the funds are available city wide, but it used to be a smaller area. We spend \$100s of thousands of dollars each year but you can't see the impact on a whole neighborhood.

Four categories. It seems simpler, but limiting and exclusionary. Rachel says that it could produce wow factor in one of those four categories. If you put it all towards transportation for example. They discuss whether this means that the funds are split evenly between the four categories. Amy explains that she understand that they only entertain applications within those four categories, but depending on the applications they receive they may only fund one or two or three of the categories any given year.

Maintenance Programs/Projects: Anna mentions that it doesn't raise taxes. Kyra says that it is a band-aid approach to the issue.. Rachel says it lacks big projects- there is no wow. It's also not objective. Frank says there's no vision. It's grounded politics, rather than the purpose of the program. Rachel also says that it keeps everyone happy because they all get a little bit.

Guest: Dr. Charles Colgan, USM Muskie School of Public Service

Anna introduces Dr. Charles Colgan. He works for the Muskie School as an economist, he is relied upon by many leaders throughout the state. He is very familiar with community development and CDBG. She invited him because he might help us transition from data gathering to moving into our focus groups and how that could impact our group.

Charlie Colgan explains that his focus is more regional development, less community development. He was in the state planning office and when the grant was given to the state 25 years ago. He's had some pleasant encounters with CDBG, some not so pleasant. He also mentions that he chairs the Community Development and Planning Program at the Muskie School of Public Service at USM.

He's unsure how he can help. What's the economic context we will be operating in for the next 3-5 years? That's something he can answer. It will be continuing budget shortfalls at the state and federal level. Regardless of who takes office in November, they will likely to continue to flat fund or decrease funding for the next several years for many federal programs, including CDBG. The funding for block grant programs will be dreadful so the pressure on CDBG will be increased. CDBG is one of the most flexible federal grants there is and city and elected officials

like to utilize it. **The classic statement that was made earlier is that under the Portland model, a little good gets done, and everyone gets a little bit and therefore everyone stays happy.**

So how do you move from a satisfying model toward impact model? He can't address social services or housing, but can talk about economic development. He thinks there are two elements to economic development that CDBG could play a role in. 1) the first is the big project, the impact or WOW. The big project is visible and from an economic point of view is what they call export based development. It is designed to serve markets beyond the city of Portland. Meaning it could serve all of Cumberland county or beyond. Portland is a service industry with a little bit of retail. Retail has spread out beyond Portland to South Portland, Scarborough and Falmouth. The big items where CDBG funds could be looked for these types of projects are as fillers. CDBG would be looked as the gap filler- the traffic lights, the lights on the trail, etc. And that's ok because there are smaller needs that need funding and CDBG can be used for this. (He adds that he believes that brick sidewalks are costly and unsustainable in a climate that receives 45" of rain a year and severe freeze-thaw cycles. Although he admits the brick sidewalks are certainly attractive.)

Another second option is import based development, cities grow by importing. This means doing things in the city that were previously done elsewhere. What are the economic development needs in neighborhoods, specifically LMI neighborhoods? How can you combine housing, economic development etc. that combines LMI and multicultural development. There are two work options within neighborhoods. The first is that everyone leaves during the day to work and comes back at night. The second option is that people work, shop and live within their neighborhoods. That makes us look internally- what are the opportunities for neighborhoods to develop their own services, retail and service industries that serve their population? This development could be located at the boundary of one neighborhood in order to serve other neighboring communities as well. The mission of CDBG to serve LMI populations, it can't transition people into the workforce, but it can work on how neighborhoods are laid out, how the facilities are available. How workforce development and workforce mobility and having neighborhood entrepreneurs, like micro loans. This is where CDBG could have *unique* goal.

In the larger projects a TIF or other funds could pay for the lights etc. for the export based development. It's not a big impact for CDBG. He says the notion of developing local businesses, and local economic opportunity. You are doing two different things that are contradictory. You are trying to get people out to get jobs; and you are also trying to bring businesses in. You need to do both. It is the neighborhoods that try do both that succeed.

Everything that you have here is good and will become meaningful as it is developed.

Dr. Colgan suggests: The question is what would you *not* fund? That's the test. You have to be clear what you don't want to do, than you can decide what you do want to do. It's good to discuss the negatives. It helps to determine what your strategy is. It has to fit into the historical role of CDBG in Portland, which he understands funds a great deal of social services. The notion of what Denis was talking, a more neighborhood impact. He doesn't hear the group talking about a vision or outcomes. He would say vibrant LMI neighborhoods that are well integrated into the larger economy that also serves their own population. Let's not deal with downtowns, high end neighborhoods.

Anna says part of our directive from the HCD TF is to set priorities that benefit LMI individuals and have a comprehensive revitalization.

Dr. Colgan says there are two arguments in community and economic development. People vs Place. Deal with the people and that will help the place. Or place based- develop the place and people will come with it. This is unresolved and you will not solve it. It seems that Portland has been more people based; to transition to place based is a big shift. Denis asks if we can address both. Dr. Colgan says you can if that's what you decide. You can require people based projects to address the place and the place based development to consider the people. He doesn't mean they are one or the other; its just most economic development programs tend to fall to one or the other, mostly place. Community Development by definition is supposed to address both people and place. You should not allow CDBG applicant off the hook to address place and people.

Dr. Colgan explains that you should require applicants to address the people and the place side. When you read their applications you can tell which is which.

TJ asks considering the vision of vibrant LMI neighborhoods netted into the service sectors. Considering priorities, how do energy costs play into this? What good is neighborhood economic development if the residents are spending all of their income on fuel? Dr. Colgan replies that the energy crisis will remain high for the foreseeable future. For everyone, but for LMI people particularly there will be considerable adjustment to the fact of high energy costs. Much of that will be borne at public expense, through technology changes, etc. You should not assume that energy prices will go down, if for no other reason that the world wide energy markets cannot sustain \$50/gallon oil. Plus we have a huge carbon debt to pay. The energy problem is not a crushing problem in the long term, but it will be for the short term. The very type of development that we are were discussing and that we are trying to create helps to prepare us for higher cost energy environment for LMI people. Think about public transportation. Use CDBG to catalyze local services. Try to get a greater diversity of stores and services. The less residents of a neighborhood have to drive to work and buy food the better. The energy is part of the solution, not the problem in the long term.

Anna asks what we are trying to create or contribute to. The energy crisis is an opportunity. Dr. Colgan says that because of its magnitude it is a very big magnifying glass. We see all these issues in the bigger context. The energy issue permeates all the topics you are working toward the economic and physical functioning of the city and it's residents. CDBG has real leverage. It has a real useful organizing metaphor. It is not just about energy. It is about a changing set of socializing values and movements.

Dr. Colgan says he is working with Orono on a project on re-urbanization. There is a whole bunch of social forces, the nature of the environment, etc. This is all part of the same processes. The economic and social development opportunities in the changing environment are quite important.

Denis asks what is unique about LMI neighborhoods.

Dr. Colgan answers the challenge is that that people tend to lack the skills to go out and get jobs elsewhere. Additionally there is limited retail options in their neighborhood. So what happens is you can't get out to get a job, but you have to get out to shop. This is a the traditional problems of low income neighborhoods Most of the work in LMI neighborhoods tries to reverse this.

Anna asks if the energy crisis would hit these LMI neighborhoods harder. Dr. Colgan says yes. But he says the energy issues will be addressed. Don't make CDBG into an energy program alone- let it work with other energy programs. He thinks there will likely be an explosion of energy programs. CDBG's role in that could be something- catalyst, leader. It will be a painful transition period, but we've done this before, twice. First in the 1970s and again in the 1980s, then the oil prices collapsed and we forgot about it. Just when you begin to have an impact, prices go back down and everyone goes back to the way it was before.

Amy thanks Dr. Colgan for coming and talking with the group.

Denis says who is interested and we need to plan. Sub group Anna, Rhonda, Denis, Frank and Jeannemarie. Wed O'Naturals 12:30 lunch.

Meeting adjourned 9:20pm