

**COMMUNITY DEVELOPMENT BLOCK GRANT**  
*Priorities Task Force*

**Final Task Force Report**  
**October 20, 2008**



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### **CDBG Priorities Task Force Meetings Agenda and Meeting Minutes:**

Please refer to the website: <http://www.portlandmaine.gov/cdbgpriority.htm>

### **CDBG Priorities Task Force Focus Groups, City Council Workshop, & Public Forums Agenda and Meeting Minutes**

Please refer to the website: <http://www.portlandmaine.gov/cdbgpriority.htm>

## EXECUTIVE SUMMARY

The recommendations from the CDBG Priority Task Force go beyond the initial goal of identifying priorities. They are recommending a fundamental shift in the program model for the CDBG Program.

The Task Force recommends a **Holistic Approach** that is multi-dimensional, coordinated, collaborative, inclusive, and targeted to specific locations in neighborhoods. Vibrant neighborhoods are multi-dimensional. They include opportunities for housing, work, shop, mobility, social and retail services, open space, and social interaction for all community members within a safe environment. A coordinated approach based on the multi-dimensional nature of neighborhoods is essential for revitalization. Our intent is to produce **long term development** and **stretch CDBG dollars for maximum impact**. Preference would be given to collaboration or partnerships between entities, multi-category initiatives, entities that provide multiple complimentary services, and proposals that impact identified needs.

To help define this model further the Task Force has recommended a goal, principles, priority impact initiatives and structural changes.

### GOAL

- The goal of the program is to **build strong, self-sustaining neighborhoods**.

### GUIDING PRINCIPLES

- **Consistent and Coordinated.** All projects and programs will be reviewed with respect to HUD requirements, city objectives, plans, goals, and other CDBG, and or HOME investments. Proposals should be coordinated with all relevant city departments and be directly connected to these objectives and plans.
- **Measurable Community Impact.** Applicants will be evaluated based on how well they create a significant and measurable community impact.
- **Location.** Projects and programs 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.** Projects and programs should address our diversity and be inclusive in order to engage differences and create a culture of belonging given that we live in a community full of unique talents, beliefs, backgrounds, and capabilities.
- **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.** Projects and programs must determine whether they are good for the environment, economically sounds (financially feasible), and supportive of the community. In addition, energy efficiency will be rewarded.

### PRIORITY IMPACT INITIATIVES

- **Housing.** Maintaining persons living in their homes or creating places for persons to live in town.
- **Work and Shop.** Create or support places for people to work and shop within their neighborhoods as well as the means to gain and maintain employment.
- **Mobility and Accessibility.** Create the connection between home, work, shop, education and services.
- **Safe Neighborhoods.** Create safe and livable neighborhoods.

### **SET - ASIDES**

- Basic Needs set aside for up to 10% of the total grant.
- Capacity Building set aside to be determined tied to the results of a community needs assessment.

### **STRUCTURAL CHANGES**

- A minimum grant award of \$20,000 is recommended.
- Two year grant awards are recommended, contingent on performance and HUD allocation.

### **IMPACT**

The recommendations herein propose a fundamental shift in the thinking and allocation of resources for the Community Development Block Grant. It will impact the agencies, organizations, and city departments that have utilized this funding in the past. However everyone can participate in this new model.

### **IMPLEMENTATION**

- The Task Force recommends partial incorporation of the new model, goal, principles and priorities into this year's funding cycle. Partial incorporation will include: 1) substituting the current priorities listed in the CDBG Funding Application with the newly adopted principles and priorities, 2) revising the point system that was used in last year's CDBG Application to reflect the new goal, principles, and priorities, and 3) revising the last year's CDBG Application questions to reflect the new goal, principles and priorities.
- The Task Force recommends full implementation of the Council adopted model, goal, principles and priorities for next year, FY 2010.
- After the first year of implementation the Task Force recommends that the City Council reconvene the CDBG Priority Task Force to review the program and adjust as necessary.

## **PARTICIPANTS**

**June 2008 – October 2008**

### **Task Force Members**

Anna T. Collins - Co-Chair	Wright & Associates
Denis Lachman - Co-Chair	Lachman Architects & Planners
Jon Bradley	Preble Street
Jeannemarie Celentano	Frannie Peabody Center
Frank Gallagher	Concerned Citizen
Larry Gross	Southern Maine Agency on Aging
Wendy Harmon	Greater Portland Landlord Association
Rhonda Juneau	Growing Opportunities
Shalom Odokara	Women In Need
Kyra Walker	Shalom House Inc.
Rachael Weyand	Heart of Biddeford

### **Participating Staff**

Rachel Talbot Ross	Equal Opportunity & Multicultural Affairs Director
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### **Supportive Staff Members**

T.J. Martzial	HNS Division Director
Deb Marquis	Principle Financial Officer
Amy Grommes Pulaski	HCD Program Manager

### **City Presentations** (in order of appearance)

Joseph E. Gray Jr.	City Manager
William Needelman	Senior Planner
Alex Jaegerman	Director Planning Division
Mike Bobinsky	Director Public Services Department
Kathi Early	Lead Engineer, Public Services
Steve Early	Operation Manager, Public Services
Tom Civiello	Director Parks and Open Space
Deb Andrews	Historic Preservation Program Manager
Jeanie Bourke	Director Code Enforcement Division
Lt. Bill Preis	Community Policing Manager
Penny St. Louis Littell	Director Planning and Development Department

### **Community Members Presentations** (in order of appearance)

Aaron Shapiro	Cumberland County
Jon Shoos	United Way of Greater Portland
Greg Mitchell	Eaton Peabody
Chris O'Neil	Portland Chamber of Commerce
Roger Bondeson	PROP
Bill Glover	Maine Housing
Deirdre Nice	Friends of St. Lawrence
Charles Colgan, Ph.D	Muskie School of Public Service, USM and Former State Economist

**Community Input Meetings Participants: September 3 – 10, 2008**

There were about 70 interested citizens who participated in the community input meetings, representing 45 organizations. There were also four members of the city staff including planning, public services, economic development and health and human services.

Please see Appendix C for the entire list of participants and their affiliations.

## **PREAMBLE**

*The CDBG Priorities Task Force asked to lead with a vision of priorities to target desired outcomes so that the process of allocation that follows is both objective and transparent.*

## **INTRODUCTION**

The City of Portland receives approximately \$2.1 million annually of federal funding from the Department of Housing and Urban Development (HUD) in the Community Development Block Grant (CDBG). The CDBG Priorities Task Force was established by the Portland City Council on May 19, 2008 and was charged with the task of reviewing current priorities, researching needs within the community and recommending priorities to be used in the allocation of resources for the CDBG Program.

The City's establishment of this Task Force stemmed from the City's commitment to the Housing and Community Development (HCD) Ten Point Plan, approved by the City on October 1, 2007. The HCD Ten Point Plan, a product of the HCD Task Force, required the creation of the CDBG Priority Task Force, followed by the Annual Allocation Committee.

## **THE HISTORY**

In order to understand the recommendation of this task force, it is imperative to briefly review what it is that these recommendations are meant to address. To do so, one must acknowledge that this process was born out of the FY2006-2007 budget review process and the Shapiro-Boxer Macomber Memo to the City Manager in June of 2006, which made vital observations about the program and recommendations. This resulted in the creation of the HCD Task Force, and ultimately the CDBG Priorities Task Force.

The Shapiro-Boxer Memo recognized the '06 breakdown at City Council resulted in part from a lack of a clear process:

*The challenge the Council faced in enacting the '07 HCD budget goes well beyond the problem caused by modest HUD funding reductions. The program lacks a clear, defined process to make fair funding distribution choices.*

- Shapiro and Boxer-Macomber. *Housing and Community Development 2006 Program Review*, June 15, 2006

The Shapiro-Boxer Memo also outlined various problems with the program, including the lack of investment in programs designed to achieve identified outcomes:

*...A scattershot approach to funding public services means that:*

- *Meaningful, measurable outcomes are difficult to quantify*
- *Selection process funds favored agencies, not desired outcomes...*

- Shapiro and Boxer-Macomber. *Housing and Community Development 2006 Program Review*, June 15, 2006

## **THE HCD TASK FORCE**

In the spring of 2007 the Portland City Council created the Housing and Community Development (HCD) Task Force with the goal of providing recommendations to Council regarding process, priorities and public participation for the HCD Program. The HCD Task Force was also to solicit public input to encourage civic discourse aimed at enhancing broad public acceptance of the revised process, priorities and public participation.

*The HCD Task Force was driven by a collective desire to improve the process and its accountability. The expectation is to have enhanced objectivity and transparency in both the priority setting process and annual allocation of resources.*

- Introduction, HCD Task Force Report, 9/10/07

Through months of discussions, key informant presentation, and public forums, the HCD Task Force created and recommended to Council a Ten Point Plan. The Plan had several recommendations regarding process and public participation. The HCD Task Force did not feel that they had adequate time or experience to fully research and recommend a full set of priorities. However they did make the following recommendations in that regard:

1. *All proposals will meet or exceed HUD and City requirements, be outcome driven, and reflect the priorities identified in the City of Portland's HUD Consolidated Plan. These priorities will be developed every three years through a Priority Setting Process.*
2. *Priority will be given to proposals providing direct benefit to low and moderate income persons and proposals contributing to a comprehensive revitalization of targeted neighborhoods identified in the HUD Consolidated Plan...*
4. *Restructure CMPAC to create two Council appointed committees:*
  - a. *Priority Setting Task Force to establish priorities for the HCD Program Funds. Priorities will be set in all three funding categories: planning/ administration, public services, and other public improvement projects. Recommended priorities will be reviewed by a Council Committee prior to City Council review and adoption. This group should consist of 9-16 Portland residents representing diverse and relevant populations and expertise...*
9. *The Priority Setting Task Force will set a minimum grant amount to ensure a measurable outcome can be tracked. The current \$5,000 minimum grant allotment would remain for FY08-09.*

- City of Portland's HCD Ten Point Plan, HCD Task Force Final Report, 9/10/07

## **THE CDBG PRIORITY TASK FORCE**

Therefore in the spring of 2008 the City Council, through the Appointments Committee advertised, interviewed and appointed 11 Portland residents to the CDBG Priority Task Force in May 2008. The goals of the CDBG Priority Task Force were three fold:

- 1) To provide recommendations to the City Council regarding priorities to be used in the allocation of Community Development Block Grant funds.
- 2) To solicit public input and encourage civic discourse aimed at enhancing broad public acceptance of the eventual project.

- 3) To utilize community resources and experts to provide information and testimony as data to the Task Force.

## **THE ANALYSIS**

The Community Development Block Grant is a federal program that distributes funding based on allocations from Congress to its entitlement communities, comprising of 1200 cities and counties throughout the country. For the past ten years this funding has decreased. Concurrently, the number of funding applicants has increased. The tradition in Portland is once you have received funding, you will be more likely to receive funding in the future. Therefore with less funding and more applicants, each program received smaller grants. To exacerbate the problem, every program was identified as a priority, therefore creating an absence of real priorities. There were no scoring criteria and an unclear rationale for funding decisions. Furthermore the program funded ongoing social service commitments without critical review. This type of funding strategy resulted in an absence of long term results and outcomes. A fundamental change in the funding model was required.

The scarcity of resources, lack of priorities, and increased requests for CDBG funding forced the Task Force to grapple with the challenge of focusing the program. Their goal was to focus CDBG resources in a complementary way to create a comprehensive community impact and make a visible difference in the eligible neighborhoods.

## **THE PROCESS**

The CDBG Priorities Task Force began meeting June 4, 2008. From the beginning the task force agreed to work towards consensus in all decision making processes.

During its work, the Task Force diligently reviewed the three funding categories specified by HUD and reviewed all eligible activity types, including: planning, administration, housing, code enforcement, public improvements, public services (public works and parks), economic development, and social services.

The Task Force actively invited experienced community members to discuss methods used to set priorities and to discuss the pressing community needs of the City of Portland. All Task Force meetings were open to the public and advertised on the City of Portland's calendar and website. Additional notification was provided for focus groups, as well as the public forum, including newspaper notices and emails to all funded HCD agencies, organizations, and City Departments.

Over the past five months the Task Force has held eighteen (18) task force meetings with eighteen (18) expert informants. There were ten (10) presentations from City Staff and eight (8) presentations and discussions with from community experts. They have organized seven (7) subgroup meetings to discuss community outreach and hosted four community outreach meetings where seventy (70) participants representing forty-five (45) organizations participated. Four (4) city staff participated in the community input sessions as well. They represented various departments including: planning, public services, economic development and health and human services. Finally, after a workshop with the City Council, the Task Force hosted a public forum to present their draft recommendations and receive feedback from the public. There were twenty six (26) residents that attended representing seventeen (17) organizations.

## THE RECOMMENDATIONS AND RATIONALE

The recommendations from the CDBG Priority Task Force go beyond the initial goal of identifying priorities. They are recommending a fundamental shift in the program model for the CDBG Program. The model rewards proposals that are coordinated and complementary and that target a specific location to create a comprehensive community impact.

### MODEL

The Task Force recommends a **Holistic Approach** that is multi-dimensional, coordinated and collaborative, and targeted to specific locations in neighborhoods. Vibrant neighborhoods are multi-dimensional. They include opportunities for housing, work, shop, mobility, social and retail services, open space, and social interaction for all community members within a safe environment. A coordinated approach based on the multi-dimensional nature of neighborhoods is essential for revitalization. Our intent is to produce **long term development** and **stretch CDBG dollars for maximum impact**. Preference would be given to collaboration or partnerships between entities, multi-category initiatives, entities that provide multiple complimentary services, and proposals that impact identified needs.

To help define this model further the Task Force has recommended a goal, principles, priority impact initiatives and structural changes.

### GOAL

- The goal of the program is to **build strong, self-sustaining neighborhoods**.

### GUIDING PRINCIPLES

- **Consistent and Coordinated.** *All projects and programs will be reviewed with respect to HUD requirements, city objectives, plans, goals, and other CDBG, and or HOME investments. Proposals should be coordinated with all relevant city departments and be directly connected to these objects and plans.*

The HCD Task Force recommended “All proposals will meet or exceed HUD and City requirements, be outcome driven, and reflect the priorities identified in the City of Portland’s HUD Consolidated Plan.” The CDBG Task Force goes a step forward and recommends projects and programs will also meet city objectives, plans and goals. The City invests a portion of its CDBG funding in long range planning each year, and the Task Force felt that the projects funded from this program should be reflective of those plans. To this end, all projects and programs will need to identify the city plan or vision in which they are addressing. The goal is to align the programs and projects with the goals and plans that the city has adopted. Coordination is vital to creating a measurable community impact; therefore all projects and programs must be coordinated with community development staff and other relevant city departments. Additionally concentration of investment is favored and projects that complement one another through CDBG or HOME are encouraged.

*Examples:* a project proposing the creation of a small business incubator is reviewed for consistency with one or more development initiatives in Portland, such as Art District Revitalization, A New Vision for Bayside, Eastern Waterfront, or Rand Road Biotech Park; Public improvements in areas of City or HOME funded affordable housing developments (for example 53 Danforth, Bayside East or Florence House); Development of neighborhood plans for eligible areas.

- **Measurable Community Impact.** *Applicants will be evaluated based on how well they create a significant and measurable community impact.*

HUD has developed an Outcome Performance Measurement System that it is requiring all programs and projects to utilize. The system includes both objectives and outcomes. The three objectives are: creating suitable living environments, providing decent housing, and creating economic opportunities. The outcomes for these objectives include: availability/accessibility, affordability, and sustainability. The Task Force emphasizes the need to address HUD objectives and outcomes, but goes a step further to prioritize projects that also have a noticeable and significant community impact. See Appendix G and H for more information.

*Examples:* A combination of projects that enhances a neighborhood such as an affordable housing development combined with community policing, after school programs and job training; Rehabilitation of an older building to create new affordable housing downtown; A program that reverses the trend of increasing drug use or violence in our community.

- **Location.** *Projects and programs 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.*

The location of investment is integral to this model. Neighborhoods are identified by their edges and centers. Neighborhoods are places where people live, work, shop, relax, eat, obtain services and congregate. Vibrant neighborhoods centers have a concentrated core or “main street” where residents can conduct business, obtain services and enjoy social interaction – *safely, on foot and without needing to leave the neighborhood.* Strengthening their main streets is essential to neighborhood revitalization. Additionally coordinated investment of federal dollars is preferred. A project that compliments an affordable housing development and assists in changing the physical landscape of the neighborhood is important. Connecting affordable housing developments with other neighborhoods, services, business districts, and downtown help to integrate low and moderate income persons into the fabric of our society. Finally physical improvements in identified troubled areas of neighborhoods can help residents feel safe. Physical change is key for revitalization. When neighborhoods look better, residents feel pride. Preference would be given to proposals that targeted neighborhood main streets, very low income areas, the overlap of neighborhood main streets and low income areas, and projects enhancing affordable housing developments.

*Examples:* Projects that focus upon identified troubled areas by community policing coordinators or code enforcement officers, such as: Grant Street, Cumberland Avenue, or areas in Bayside; Projects geared towards providing goods and services in locations that have not received much investment, such as the St. John Street Corridor.

- **Diversity and Inclusiveness.** *Projects and programs should address our diversity and be inclusive in order to engage differences and create a culture of belonging given that we live in a community full of unique talents, beliefs, backgrounds, and capabilities.*

Throughout the public input process, the task force received feedback from a wide-range of participants that there is an increased need for cultural education and dialogue within our community to create greater understanding and appreciation for our diverse populations. It is imperative that we provide access to funding for members of our community who have been historically disenfranchised including racial, ethnic and religious minorities, individuals who represent the lowest socioeconomic level, and those who have been marginalized due to their orientation, beliefs, and abilities. The Task Force suggests that all applicants strive to create programs that emphasize inclusiveness to diverse populations.

*Examples:* Projects that promote socio-economic diversity in home ownership; Affordable housing or rehabilitation projects that prevent the displacement of lower income residents; Small business start up loans for minority and women-owned businesses within a targeted

locations; Culturally appropriate life skill programming and work force development; Increased access to transportation for non-English speakers; Incorporation of diverse stakeholders in planning efforts.

- **Priority to Lower Incomes.** *Priority will be given to projects and programs that serve the lowest income persons.*

In order to be eligible to receive support for CDBG an individual must earn less than 80% of the Area Median Income. However the public expressed the need to reach even further and serve those of even greater need. The Task Force is recommending that the lower income persons or areas be prioritized.

*Examples:* Programs to increase the range of housing opportunities affordable to households with incomes at or below 50% of the area's median income (AMI); Programs that assist adults and youth to improve their economic situation by increasing their incomes from below 50% AMI to a living wage through comprehensive, evidence-based programs.

- **Leveraged Funding.** *CDBG cannot be the only source of funding for a program or project, leveraging other funds is essential.*

CDBG is not a welfare program. The intent is to assist in projects that already have community support, specifically financial support. Therefore all programs, projects and services that apply for CDBG funds must show leveraged funds, with the exception of capacity building grants.

- **Sustainability.** *Projects and programs must determine whether they are good for the environment, economically sound (financially feasible), and supportive of the community. In addition, energy efficiency will be rewarded.*

In considering each project or program, the applicant must determine whether they are sustainable by answering three questions. 1) Does this program/project create a negative impact on the environment? 2) Is this program/project economically viable (financially feasible)? With the award of CDBG funds, will this program/project happen? 3) How does this program help contribute to a healthy community?

*Examples:* Weatherization of social service agency buildings to decrease costs of operation; funding of businesses committed to training and job growth in the emerging green economy

## **PRIORITY IMPACT INITIATIVES**

- **Housing.** *Maintaining persons living in their homes or creating places for persons to live in town.*

Including but not limited to: projects that would compliment the housing plan; energy efficient housing rehabilitation; weatherization; first time homebuyer assistance; supportive housing; in home support services; housing counseling

- **Work and Shop.** *Create or support places for people to work and shop within their neighborhood. as well as the means to gain and maintain employment.*

Including but not limited to: create a community and economic development plan; creating jobs; attracting/ retaining businesses, retail and service jobs; create or support business incubators; small business start up loans; education; job training; child care

- **Mobility and Accessibility.** *Create the connection between home, work, shop, education and services.*

Including but not limited to: projects that compliment the transportation, transit or comprehensive plan; infrastructure that supports alternative mobility; pedestrian, bike, and bus streetscape improvements; handicap accessibility; programs that support alternative modes of transit; supportive transportation

- **Safe Neighborhoods.** *Create safe and livable neighborhoods.*

Including but not limited to: neighborhood planning, safety improvements, safe spaces and places (community and cultural centers); safety, community policing, crisis and recovery support services.

#### **SET - ASIDES**

- **Basic Needs set aside for up to 10% of the total grant.**

**Basic Needs.** *Programs that respond to an acute need where no other options exist and such a response is temporary in nature. 1) Short term shelter, a place people can go when they have not other options to stay, including shelter operation and staff, excluding case work. 2) Emergency food, food for persons when they have no other options to eat, including food, food service operations and support services for persons limited to 18 months. 3) Emergency Heat assistance.*

The Task Force favored the coordinated, collaborative, place based approach for developing community. However it was important that no one went without shelter and no one went hungry. For this reason a small portion of the total grant, up to 10%, is recommended to be set aside for basic needs. Basic needs programs are still encouraged to collaborate or coordinate services.

In action: emergency shelter, emergency food, heating, and other basic needs.

- **Capacity Building set aside to be determined, tied to results of Community Needs Assessment**

**Capacity Building.** The definition and need for capacity building in Portland is still unknown. The city has already begun meeting with other local funders, including United Way of Greater Portland and Maine Community Foundation. These organizations plan to explore what capacity building needs exist in local organizations by conducting a community needs assessment. The Task Force recommends that the City of Portland be an active participant and contributor in the collaborative effort to determine the capacity building needs of the community. Once the community needs assessment study is completed, the amount of CDBG funds allocated for capacity building in the 2010-2011 year or the year immediately following the determination should be tied to those results.

#### **STRUCTURAL CHANGES**

- **A minimum grant award of \$20,000 is recommended.**

In order to create the community impact that this model encourages, larger grants are necessary. Applicants receiving small grants would not have the resources necessary to create a considerable community impact. This minimum is does not apply to capacity building grants.

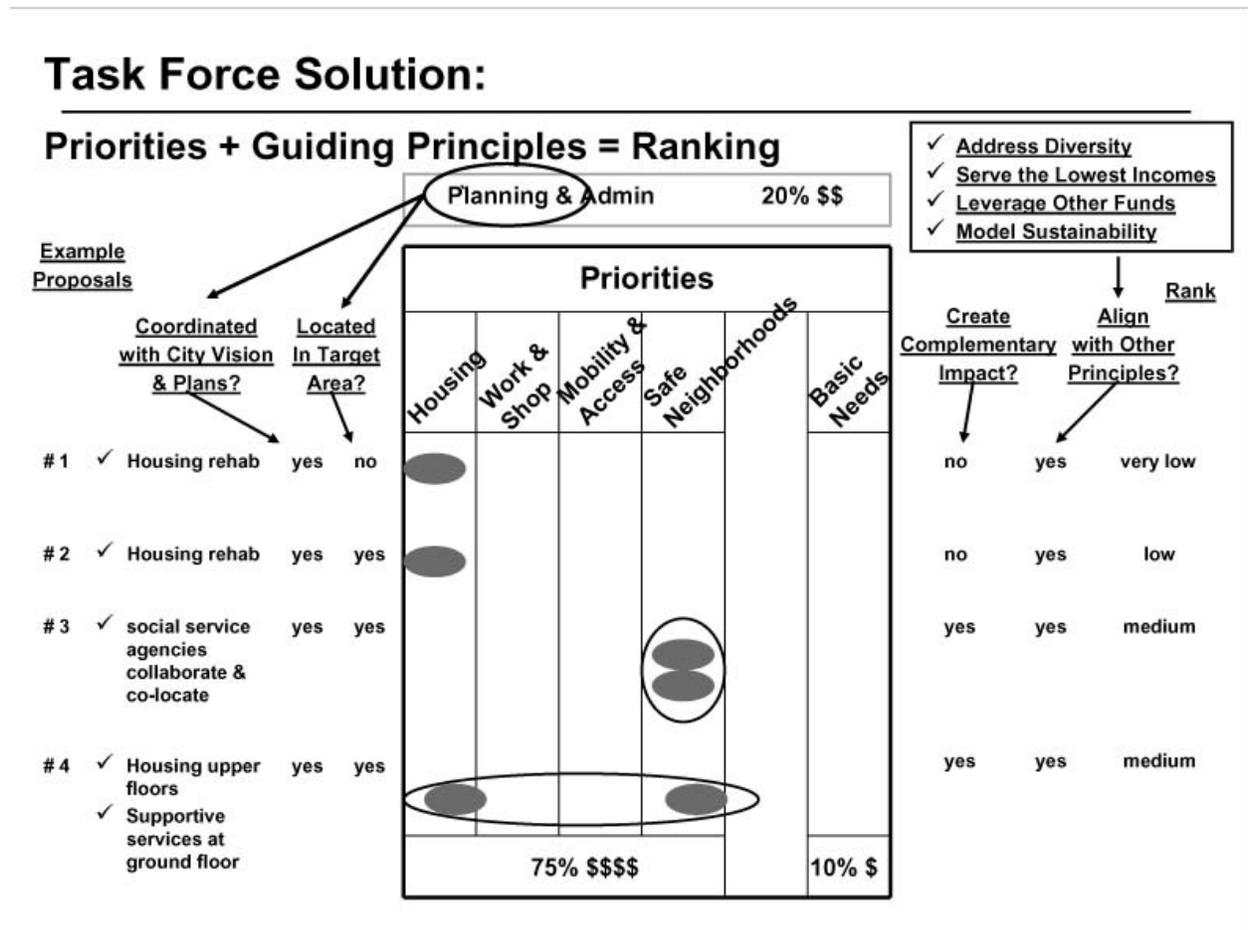
- **Two-year grant awards are recommended,** contingent on performance and HUD allocation.

There was significant community support for multi-year funding. The Task Force is recommending two year grants to begin with, contingent on the applicant's performance, and the allocation the city receives from HUD.

## THE RANKING

The ranking of proposals helps to weave the recommendations together in a visual way. The model purposely locates planning and administration on top of the priorities. This is to guide in the coordination of projects. The priority impact initiatives are located aside one another, with no one elevated above the other. This is to stress the importance of all four impact areas, how projects can combine priorities to create more meaningful and impactful projects. Basic needs is located separate from the other impact initiatives because it is important for people to eat and have a place to sleep. The coordination and location requirement would not apply to the basic needs set-aside. Finally it is the combination of all of these determines how high each proposal will rank.

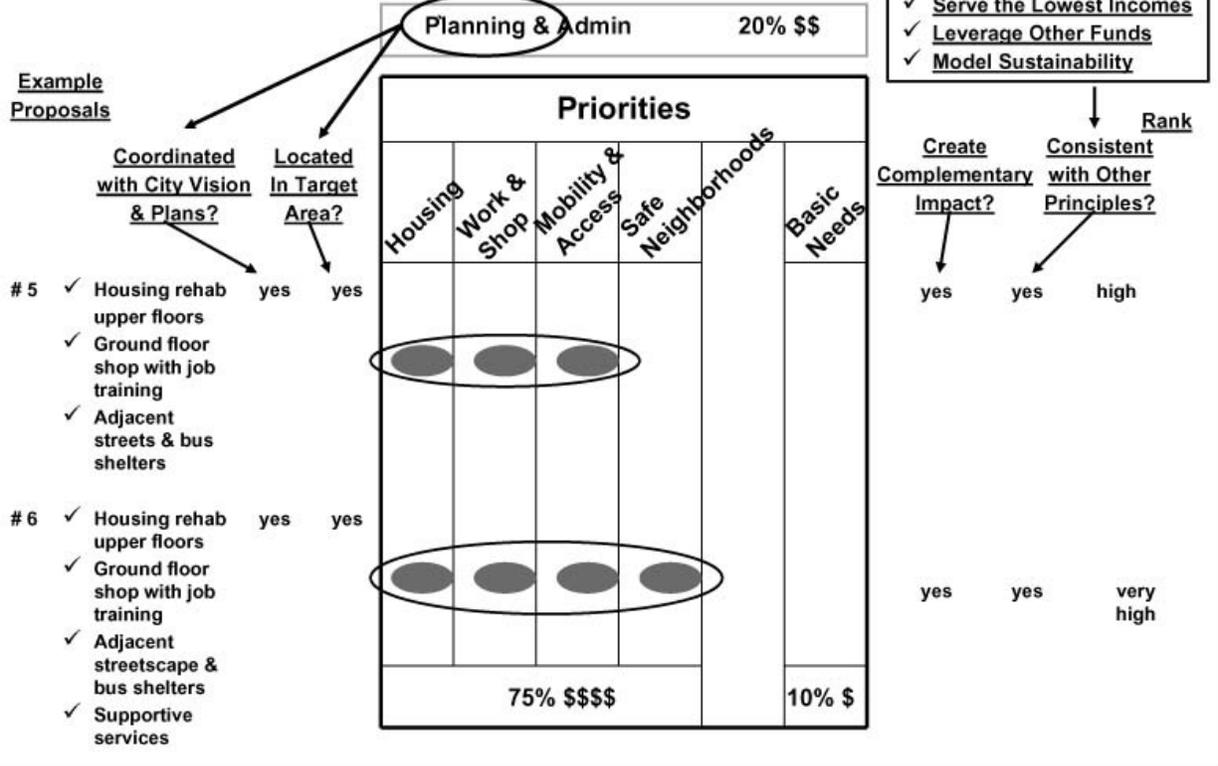
**Picture 1**



Picture 2

## Task Force Solution:

### Priorities + Guiding Principles = Ranking



To utilize the ranking model the review committee will ask the following questions of each proposal:

- 1) Is the proposal consistent with the CDBG program's principles?
- 2) Does the proposal reflect city visions and plans?
- 3) Is the proposal located in a target area?
- 4) Does it address one or several of the priority target initiatives?
- 5) Does it contribute to a complementary impact?

The answers to the questions would determine whether the proposal would receive a very low, low, medium, high or very high ranking. These ranking will be combined with other criteria for evaluating the proposals including: percentage of low and moderate income benefit, completeness of application, experience of new applicants or performance of past applicants, and a proposals ability to leverage funding. The details will be determined by HCD staff and the Annual Allocation Committee.

### THE IMPACT

The recommendations herein propose a fundamental shift in the thinking and allocation of resources for the Community Development Block Grant. It will impact the agencies, organizations, and city

departments that have utilized this funding in the past. However everyone can participate in this new model.

#### Impact on Social Services

Because the CDBG program in Portland as a whole has in the past been associated in the minds of many community members as a funder of social service agencies and programs, it is important to address the impact of these recommendations on Social Services. While most cities and counties receiving CDBG funding around the country are regulated to 15% for Social Services, the City of Portland received an exemption in 1982 to allow 33% of our funding to go to this category. While, the Task Force has not explicitly recommended permanently lowering the Social Services allocation, our recommendations may produce a lower allocation for social services some years. However, a lower allocation one year does not eliminate the City's ability to spend 33% on social services the next year.

#### Impact on All Applications

Under our recommendations social service agencies will compete on an equal footing with other eligible activities for funding each year. These recommendations create an opportunity for all applicants, including social service agencies, to continue receiving funding as long as their projects are meeting these priorities. Ultimately, we are restructuring the program by rewarding projects that are best able to achieve the goal and priorities outlined rather than eliminating programs outright through a quota system.

### **TOPICS REQUIRING FURTHER CONSIDERATION**

- The Next CDBG Priorities Task Force. As the Shapiro-Boxer memo recognized, “[m]inor revisions may also be appropriate on a year-to-year basis” in addition to a priority setting process every 3-5 years. In light of the fact that this is the first task force to make these recommendations, we urge the City to consider repeating the priority setting process within 3 years to make sure that appropriate changes are made as the model, principle, and priorities are implemented.
- Brick Sidewalk Ordinance. Concerns regarding the efficiency, safety, and cost of brick sidewalks were raised and discussed at several community input sessions. The task force also heard from proponents of the brick sidewalk ordinance.

The Task Force is aware that a council committee is reviewing the brick sidewalk ordinance on the peninsula and leaves it up to the City to address the ordinance. While the task force is not issuing any recommendations in regards to the ordinance, we do share the concern of several community members that so much federal CDBG investment is paying for expensive brick sidewalks without leverage from other funds. The task force therefore recommends that CDBG expenditures on sidewalks in eligible areas be leveraged with other funds.

- Developers Commitment. Concerns regarding the use of CDBG funds for developer's fees or required infrastructure improvements specified by the planning board or City Council were voiced. The Task Force does not recommend the use of CDBG monies for the infrastructure improvements that the City requires developers to build.

## **TOPICS OF DISCUSSION**

This appendix summarizes various topics that were discussed at Task Force meetings 1-12. Further detail is available from minutes, available at the City of Portland website. The website also includes minutes relating to focus group data gathering, as well as the council workshop and public forum.

### **Topic: Task Force Process**

#### *Discussion:*

- decision process: consensus, supermajority, simple majority
- noting common threat/themes that arise in task force work to guide our decisions
- continued task force polling
- public participation: whether to conduct surveys, focus groups, summit for all funding areas
- data gathering methods to make informed decision about priorities

#### ***CDBG Priorities Task Force Decisions:***

- task force will aim to make decision in this order: consensus, supermajority, simple majority
- decided not to conduct continued task force polling
- decided to conduct focus groups for social services and development activities
- will invite experts and community participants, both internal and external to the city, to discuss specific issues before the task force, with a focus on *how* they set priorities

### **Topic: Budget Comparisons**

#### *Discussion:*

- pros and cons to keeping city programs/ staff funded with CDBG
- switching city programs to general fund would result in 1% real estate tax hike
- City's \$10 M cap on capital improvements; one method to stretch CIP is to utilize CDBG funds in the eligible areas to improve sidewalks and streets and parks
- Pros and cons of using CDBG funds to pay for sidewalks, community policing, historic preservation, and other areas of traditional CDBG expenditure in Portland

### **Topic: History of National CDBG Program**

#### *Discussion:*

- Nationally, social services are capped at 15%; since 1983, Portland received exemption from HUD for 33% and has maxed that out; we don't lose the exemption if we spend less than 33%
  - community policing heavily funded, but historically not listed as priority
  - some agencies have been funded for 30 years
- HUD CDBG program resulted from the riots of the 1960s. The federal government after that chose to give funds directly to cities to change the physical landscape of cities. The social service programs historically were meant to support public improvements – i.e. you cannot create jobs without child care. In Portland, the overall CDBG program is more of a social service program rather than social services supporting physical improvements

## **Topic: Allocation of CDBG Resources**

### ***Discussion:***

- Nationally, social services are capped at 15%; since 1983, Portland received exemption from HUD for 33% and has maxed that out; we don't lose the exemption if we spend less than 33%
- Cumberland County: its homeless prevention program is the only social service program the county funds
- Whether task force should address the federal 15% cap for social services
- History of Public Infrastructure Funding for 10 years  
\$5.4 million Public Works to construct sidewalks, predominantly, curb ramps and street improvements; \$2.6 million Parks to build neighborhood and historic parks
- Portland spends 7% of its CDBG funding on housing, the national average is 70%. While Portland also uses HOME grants for housing, that does not explain the difference since most communities have other sources of funding for housing as well
- Economic development spending in Portland has only been funded in the way of a façade program
- Bangor: Heavily focused on housing- no social services
- Lewiston: Directed investment, focuses on large impact based projects, heavily focused on economic development

## **Topic: How to Set CDBG Priorities**

### ***Discussion:***

- Historically, if agency funding cut, they lobby councilors. The recommendations of this task force must be defensible
- Whether CDBG priorities should be comprehensive and span across funding categories
- Looking at the grant in its entirety to make an impact versus programs individually because if funding decreased for a program they may be unable to go elsewhere
- Whether CDBG priorities should reflect City's comprehensive plans/planning, including Community Vision statement (adopted twice by City Council) and Sustainable Portland
- Not looking at the grant in funding silos but rather as priorities, then addressing the separate funding categories within
- Whether we should focus primarily on crisis issues or on long-term issues as well
- Review of Shapiro and Boxer-Macomber Memo, 6/15/06, HCD 10 Point Plan, HUD Table 2B, Key Components of the CPD Outcome Performance Measurement System
- Boston RFP. For the first time Boston RFP sets an overall goal for all programs, which should be used by all applicants as they develop their objectives and outcomes: long term goal is to enable low income residents of Boston to be able to continue living in the city by helping them being to move out of poverty
- Cumberland County. Applicants had to fall into one of four categories: homeless services, housing rehab, handicap access and transit. Overarching guidelines: share the wealth, this means sitting out a year; community commitment/leverage; readiness; demonstrated need
- United Way of Portland focuses on two areas: (i) essential programs and services – divided into strengthening children, youth and families, promoting health and wellness, building safe and strong communities, meeting basic needs and self-sufficiency; (ii) impact initiatives – whose goal is to change the conditions in the community

- Lewiston: Directed investment, focuses on large impact based projects, heavily focused on economic development
- Lewiston CDBG Lessons learned: invest in a few (3-5) projects/program to maximize impact; create leverage – invest where private sector is investing; invest to the level needed to close project financing gaps; invest in complete entire municipal blocks; coordinate with neighborhood planning; create visual change to landscape or “windshield wow factor” for maximum affect

**Topic: Priorities for ALL Programs**

***Discussion:***

- City of Portland priorities, including affordable & sustainable housing, childcare, crime prevention, energy efficiency, food security, jobs/economic development, public transportation, vulnerable populations
- criteria to use for priorities across all programs (i.e. immediate need of the population, most pressing need, importance of future planning versus what is pragmatic, assisting several groups, efficiency)
- Collaboration
- Task Force discussed whether quality of place should be priority versus lense, decided lense
- Establishing overall goal for the entire program, similar to Boston RFP
- Establishing overall principles, such as sharing the wealth, etc., similar to Cumberland County
- whether focus should be more on community development with focus on physical improvements that change the landscape projects
- Energy efficiency is a big issue everywhere, noted by Charles Colgan, PhD as an issue that will impact LMI eligible areas harder
- Investment in people is investment in community
- Other communities invest more in economic development, such as micro-enterprise development and projects, such as Lewiston and Bangor, and manage their CDBG funds through Economic Development Depts.
- Nationally, CDBG expenditures average 70% for housing; in Portland, it is only 7%
- Lessons learned from Lewiston model, *see below* at Economic Development
- Presentation from Charles Colgan, PhD in regards to priority setting, noting that under the Portland model, a little good gets done, and everyone gets a little bit and therefore everyone stays happy.
- Charles Colgan’s suggestion that in order to address both people and place in the model, one can require people based projects to address the place and place based development to consider the people. This is a possible way to address the undecided debate about how to best approach community development

**Topic: Priorities Social Service Programs**

***Discussion:***

- Structural changes for Social Service programs: higher minimum/maximum grants, increased/required agency collaboration to address an issue; multi-year funding, introducing priorities, grand initiatives and sunsets (large projects, that eventually go off on their own, similar to United Way) and grandfathering or sunseting (for example, three years of funding, one year off, similar to Cumberland County approach)Capacity building, collaboration, and diversity

## **Topic: Public Infrastructure**

### ***Discussion:***

- History of Public Infrastructure Funding for 10 years
  - \$5.4 million Public Works to construct sidewalks, predominantly, curb ramps and street improvements; \$2.6 million Parks to build neighborhood and historic parks
- Note:* The Department of Public Works and Parks Department are now the Department of Public Services
- Bank rolling of funds
  - PW used to bank roll funds in order to accommodate enough funding to complete a project
  - project required several years funding to complete a project
  - this was done to balance councilor and sidewalk needs
  - Discouraged by HUD, could result in a loss of funding
- Now requesting a larger amount to fully fund and complete a project
- Complete Street initiative: combine streets, sewer, sidewalk, paving, traffic calming, etc together in one project to complete the street
- Outreach
  - PS works with Councilors and constituents to identify sidewalk needs
  - Special interest groups: Friends of Parks, Bike/ Pedestrian, Mobility groups
- Reallocation of Powsland Street to Sewell Street as a result of resident initiative
- PS requests include contracted costs, but they can do them in-house for less
- Possible Investment Areas , *see below* at Priorities-Development Activities
- Planning for Public Infrastructure Improvement , *see below* at Priorities-Planning
- Controversy regarding brick ordinance, pro and con views regarding ordinance
- Leveraging CDBG expenditure on brick ordinance so that CDBG money is not the only source of funding for sidewalks in eligible areas

## **Topic: Housing**

### ***Discussion:***

- Portland spends 7% of its CDBG funding on housing, the national average is 70%. While Portland also uses HOME grants for housing, that does not explain the difference since most communities have other sources of funding for housing as well
- Bangor: Heavily focused on housing- no social services
- Housing Highlights
  - Portland invests 7% of its CDBG allocation in housing, national average is 70%
  - Housing development **is** economic development
  - Refocus on energy efficient measures for homes
- Critical Housing Needs Short Term , *see below* at Priorities – Development Activities

## **Topic: Economic Development**

### ***Discussion:***

- Economic development spending in Portland has only been funded in the way of a façade program

- Other communities invest more in economic development, such as micro-enterprise development and projects, such as Lewiston and Bangor
- Lessons learned from Lewiston model :
  - Invest in a few (3-5) projects/programs to maximize impact.
  - “Create leverage” - Invest where private sector is investing.
  - Invest to the level needed to close project financing gaps.
  - Invest to complete entire municipal blocks.
  - Coordinate with neighborhood planning.

Create visual change to landscape or “windshield wow factor” for maximum effect.

### **Topic: Priorities - Development Activities**

#### *Discussion:*

- Economic Development , *see* Economic Development
- Critical Housing Needs Short Term :
  - Weatherization
  - Fuel Assistance
  - Heating System Repair/ Replacement
  - Housing Counseling (Foreclosures, rent evictions)
  - Financial Literacy (how to prepare/manage a budget)
- Critical Housing Needs Long Term:
  - Weatherization
  - Elderly Rental Housing- we are the oldest state in the union
  - Special Needs/ Accessible Housing.
  - Repair/ replacement of substandard housing (Mobile Homes)
  - Conversion of heating systems away from oil.
  - Housing Counseling.
- Public Infrastructure - Possible Investment Areas
  - Transportation investment- Bike lanes, bus shelters, possible METRO Route change soon, more bus shelters could be needed.
  - Mobility improvements
  - Audible safety signals at intersections
  - Storm water management

### **Topic: Priorities - Planning and Administration**

#### *Discussion:*

- Funding of Administration & Planning
  - CDBG funds HCD staff and planners within the Planning Department are in part funded by CDBG.
  - While planners are funded by CDBG, their work currently does not involve preparing plans directly for LMI eligible neighborhoods
  - Pros and cons of requiring planners funded by CDBG to create neighborhoods plans, such as consequence for budget and pressure on staff
  - The fact that planners funded in part by CDBG are not required by federal law to focus on LMI areas
  - The possibility of further coordination between HCD staff and planners so that coordination occurs

- The viability of a project being proposed outside of the Administrative area, perhaps within Development Activities in the form of an outside proposal relating to neighborhood planning for eligible areas
- Importance of continued work between HCD staff, planners, and Public Works
- Planning for Public Infrastructure Improvement
  - Importance of further coordination between Public Works & Planning, so that infrastructure improvements in eligible districts reflects CDBG goal, principles, and priorities
  - Comprehensive plan indicates where large investment will go, currently Bayside and Eastern Waterfront
  - CDBG has not been used to augment planned investment in the past
  - Utilizing CDBG to complement current investment projects could accelerate the visual change affect, complement larger anchor projects
    - Ex. There is funding for the Bayside Trail, but not the sidewalks leading from downtown to the trail.
    - Ex. Also Pearl Place was required to build sidewalks around their building, but then they end and there is no immediate plan for them to continue.

**Topic: Priorities- Public Facilities & Historic Preservation**

*Discussion:*

- *Energy efficiency as potential non-profit rehab expenditure*
- Importance of spending funding by recipients within a certain type period, such as 2 years
- Historic preservation as a type of economic development
- Pros and cons of funding historic preservation projects that do not directly serve LMI communities are not within eligible areas
- How to assure that historic preservations projects reflect CDBG requirements and Task Force plan, principles, and priorities!

**Topic: Priorities – Capacity Building**

*Discussion:*

- Importance of capacity building for new CDBG applicants and capacity building for those adjusting to task force recommendations
- Setting a set aside amount for capacity building

**Topic: Priorities – Code Enforcement**

*Discussion:*

- CDBG cannot fund the general conduct of government
- HUD now requires more specificity in how Portland uses CDBG funds on code enforcement
- Code enforcement as an effective revitalization tool
- Bayside and Parkside as areas that currently need the most attention

**Topic: Priorities – Community Policing**

*Discussion:*

- Community policing as vital to grasping community issues and dealing with development issues
- CDBG pays 91% of the salary of 4 community policing coordinators
- Pros and cons of using CDBG rather than general funds to pay for community policing
- Possible current “hot spots”: Grant Street, Dow Street, Merrill Street, Portland Street, Cumberland Avenue



## Why We are Here

### Impact

Many communities nation-wide provide funds for a variety of programs not typically seen in Portland, for example:

- small business assistance
- economic development
- façade improvements
- weatherization
- infrastructure to support affordable housing
- large-scale infrastructure projects
- homeownership initiatives

Allocating resources to such programs in Portland is impossible given the traditional funding structure.

- Shapiro and Boxer- Macomber. *Housing and Community Development 2006 Program Review*, 2006.

## Why We are Here

Appendix B

### Transition not Transformation

..... we emphasize the value and importance of the **longstanding relationships** we have with multiple community partners. We do not envision and are not recommending a **radical transformation** of the program in a short timeframe. Instead, we envision a **period of transition** akin to the changes that the United Way of Greater Portland has undergone.

- Shapiro and Boxer- Macomber. *Housing and Community Development 2006 Program Review, June 15, 2006.*

### Accountability

“The HCD Task Force was driven by a collective desire to improve the process and its accountability. The expectation is to have enhanced objectivity and transparency in both the priority setting process and annual allocation of resources.”

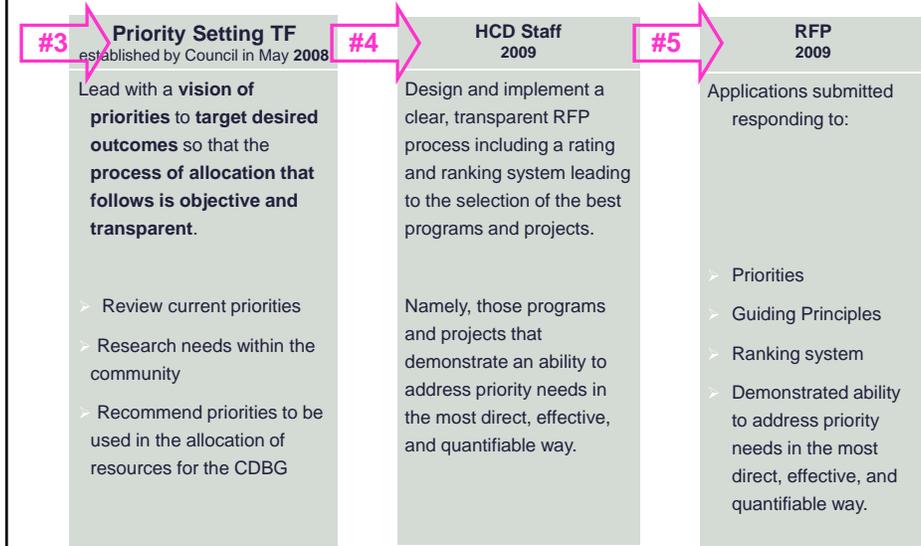
*Introduction, HCD Task Force Report, 9/10/07*

## How we got here

Appendix B

	#1 Shapiro /Boxer HCD Program Review 2006	#2 HCD Task Force Point Plan Adopted by Council 2007
Who		
What	<p>... <b>initiate reform</b> in Portland's Community Development programs. The program operates in a framework molded by long established tradition, lacking flexibility to respond to changing community conditions, HUD requirements or national community development innovations.</p>	<p>#2a. Priority will be given to proposals providing <b>direct benefit to low and moderate income persons</b> and....</p> <p>#2b. Priority will be given to proposals contributing to <b>a comprehensive revitalization of targeted neighborhoods...</b></p>
How	<p>Create a <b>comprehensive priority</b> needs list to <b>target desired program outcomes</b> which are attainable with resources available. <b>Limited resources will mean limited priorities and limited numbers of projects.</b></p> <p>Design and implement a <b>clear, transparent RFP process</b> including a <b>rating and ranking system</b> leading to the <b>selection of the best programs and projects.</b></p>	<p>Create two Council appointed committees:</p> <ol style="list-style-type: none"> <li><b>Priority Setting Task Force</b> to establish priorities.....</li> <li><b>Annual Scoring Committee</b> to rate, rank, score and make recommendations for the allocation.....</li> </ol>

## Where we are headed Appendix B

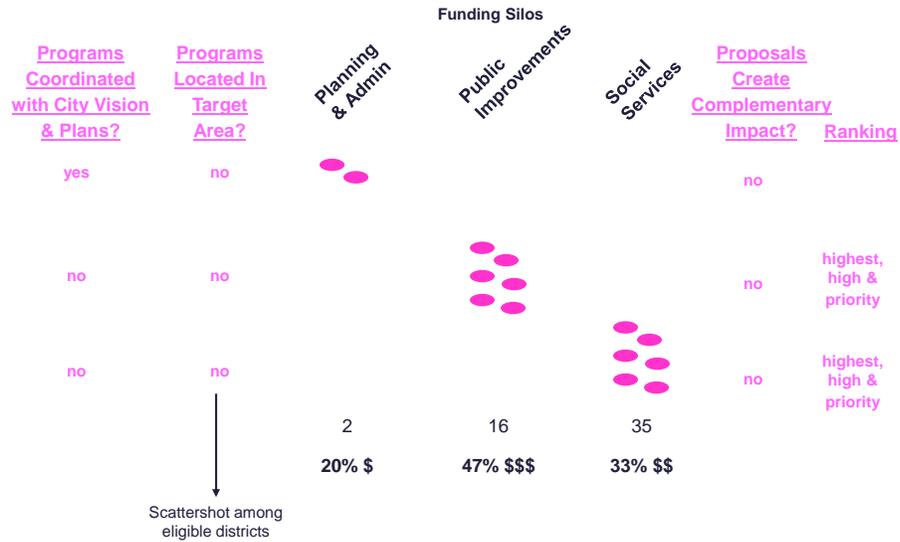


## Where we are headed Appendix B



# The Problems

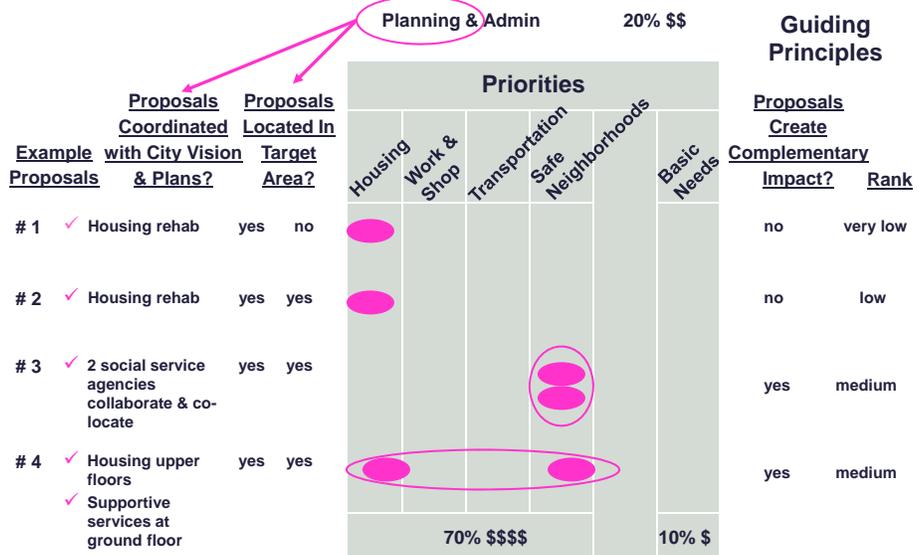
Appendix B



# Task Force Solution:

Appendix B

## Priorities + Guiding Principles = Ranking



## Medium Rank - Possible Example

Appendix B

### Collaboration & Co-location With *Two Priorities*

Logan Place  
Portland

Housing  
• SRO

Safe Neighborhoods  
• Supportive Services



## Task Force Solution:

Appendix B

### Priorities + Guiding Principles = Ranking

Example Proposals	Proposals Coordinated with City Vision & Plans?	Proposals Located In Target Area?	Priorities			Proposals Create Complementary Impact?	Rank
			Housing Work & Shop	Transportation Safe Neighborhoods	Basic Needs		
# 5	<ul style="list-style-type: none"> <li>✓ Housing rehab upper floors</li> <li>✓ Ground floor shop w/training</li> <li>✓ Adjacent streetscape &amp; bus shelters</li> </ul>	yes	yes	○ ○ ○		yes	high
# 6	<ul style="list-style-type: none"> <li>✓ Housing rehab upper floors</li> <li>✓ Ground floor shop w/training</li> <li>✓ Adjacent streetscape &amp; bus shelters</li> <li>✓ Supportive services</li> </ul>	yes	yes	○ ○ ○ ○	70% \$\$\$\$	yes	very high
						10% \$	

## Very High Rank Possible Example

Appendix B

### Collaboration & Co-location With *Four Priorities*

#### Housing

- upper floors



#### Safety

- Neighborhood Center
- Supportive Services
- Community Policing



#### Work & Shop

- Possible Training?
- Possible Retail?

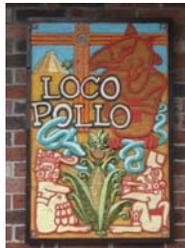
#### Transportation

- Pedestrian friendly
- Adjacent bus shelters
- Curb cuts

## Putting It All Together - Imagine.....

Appendix B

### A Vibrant Neighborhood & Main Street



#### Variety of Services

- ✓ Grocery
- ✓ Laundry
- ✓ Health
- ✓ Personal
- ✓ Entertainment



#### Neighborhood Businesses

- ✓ Micro loans
- ✓ Emerging businesses by and for New and Youth populations

#### Affordable Housing

- ✓ Live and work in the neighborhood
- ✓ Activity day and night



# Putting It All Together - Imagine.....

## A Vibrant Neighborhood & Main Street

### Community Spaces

- ✓ Meeting
- ✓ Activities
- ✓ Indoor & Outdoor

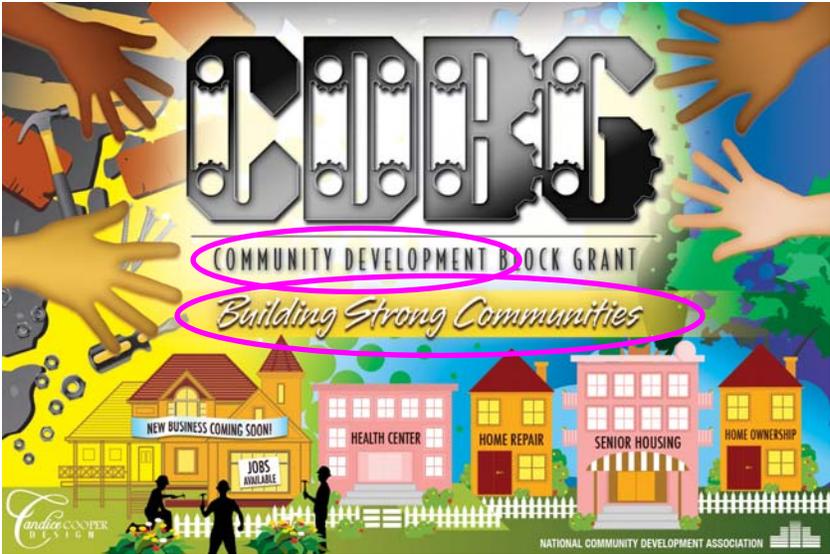


### Pedestrian Friendly

- ✓ Sidewalks & Crosswalks
- ✓ Benches
- ✓ Lighting
- ✓ Trees & Pocket Parks
- ✓ Art

### Supportive Social Services

- ✓ Job training
- ✓ Day Care



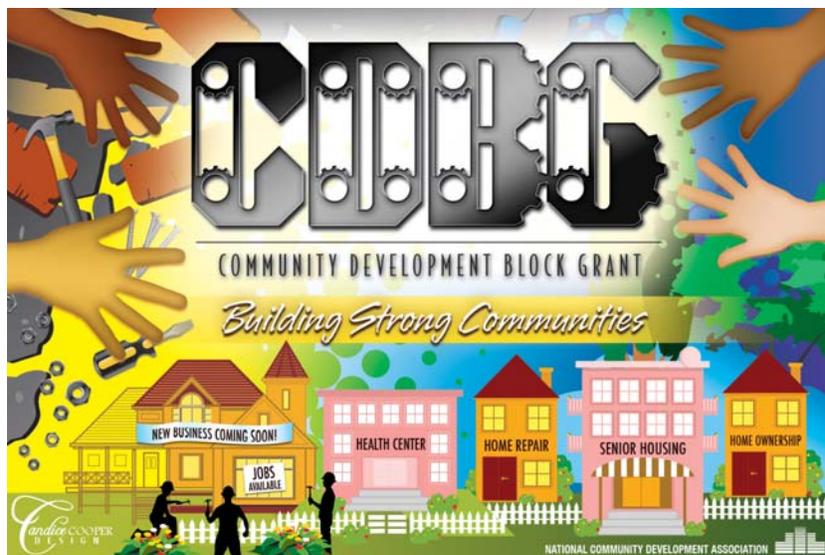
## Summary

Appendix B

Problems	Solutions
<input type="checkbox"/> Lack of Community Development focus	<input checked="" type="checkbox"/> Focus On LMI Location (intersection w/ Neighborhood Main Street)
<input type="checkbox"/> Lack of Resources	<input checked="" type="checkbox"/> Increase minimum from \$5,000
<input type="checkbox"/> Scatter approach	<input checked="" type="checkbox"/> Reward Leverage/Cooperation
<input type="checkbox"/> Lack of Objectivity	<input checked="" type="checkbox"/> Serve Lowest Census Populations First
<input type="checkbox"/> Lack of Transparency	<input checked="" type="checkbox"/> Principles & Priorities
<input type="checkbox"/> Lack of Coordination with Planning	<input checked="" type="checkbox"/> Thorough public input
	<input checked="" type="checkbox"/> Coordination with Plans

## City Council Workshop October 6, 2008

Appendix B



**CDBG Priorities Task Force**  
**Attendance Sheet, Focus Groups**  
**September 3 - October 7**

	Community Participants			Community Outreach Meetings				Public Forum
	Last Name	First	Affiliation	2-Sep	7-Sep	8-Sep	9-Sep	7-Oct
1	Suvu	Dominic	211 Maine		1			
2	Cummings	Leonard	Abyssinian Meeting House				1	
3	Braley	Grace	Allocation Comm.					1
4	Friedman	Mickey	Allocation Comm.					1
5	Szatkowski	Victoria	Allocation Comm.					1
6	Bouthilotte	David	Amistad					1
7	Veit	Charles	Amistad	1				1
8	Pottenger	Mary	Art & Equality Institute			1		
9	Boxer Macomber	Ethan	AVESTA				1	1
10	Hirshon	Steve	Bayside Neighborhood Assoc.	1	1	1		1
11	Landry	Alex	Bayside Neighborhood Assoc.	1				1
12	Spinella	Ron	Bayside Neighborhood Assoc.		1			
13	Sylvian	Robert	Bayside Neighborhood Assoc.		1			
14	Bouchard	Collette	Bayside Neighborhood Association		1	1		
15	McClinky	Susan	BNA					1
16	Muslawski	Steve	Boys/Girls Club					1
17	Evans	Nicole	CASH		1			
18	Spach	Darshana	Caterine Morrill Day Nursery	1				
19	Purington	Kitty	CCC	1				
20	Elias	Linda	CCC/SMAAA	1				
21	Kafsiaficas	Donna	CDBG Allocation Comm.					1
22	Lobutua	Dequhn	Center for African History			1		
23	Ummah	Dawud	Center for African History			1	1	
24	Santiago	Blanca	Centro Latino Maine					1
25	O'Neil	Chris	Chamber of Commerce				1	
26	Ewing-Merrill	Allen	Chestnut United Methodist	1				1
27	Fr. Bizimana	Joseph	CHS Urban Ministries			1		
28	Winslow	Carleton	Citizen, landlord			1	1	
29	Berle	Roger	Cliff Island			1		
30	Paul	Andrea	CPPC		1			
31	Faultner	David	Day-One	1				
32	Klen-Charlie	Anna	Day-One		1			
33	Ray	Brenda	East Bayside Neighborhood Org		1	1		
34	Wukh	Chris	EBNU		1			
35	Pulaski	Mike	Fore Solutions				1	
36	Zuchman	Allison	Fore Solutions				1	
37	Capouch	Patti	Frannie Peabody Center		1			
38	Bassett	Hilary	Greater Potrland Landmarks				1	
39	Gardner	Douglas	Health & Human Services					1
40	Magaya	Ambrose	IMAA		1			
41	Baker	James	Maine College of Art				1	
42	Hutton	Eric	Maine College of Art			1		
43	Tomlinson	Jessica	Maine College of Art					1

**CDBG Priorities Task Force**  
**Attendance Sheet, Focus Groups**  
**September 3 - October 7**

	Community Participants			Community Outreach Meetings				Public Forum
	Last Name	First	Affiliation	2-Sep	7-Sep	8-Sep	9-Sep	7-Oct
44	Nkulu	Alain	Maine Immigrants & Refugees Association		1			
45	Nkusi	Eric	Maine Immigrants & Refugees Association		1			
46	O'Malley	Vinnie	Maine Irish Heritage Center			1		
47	Davis	Sue	ME Narrow Gauge	1				
48	Naseef	Regal	Mercy Health Systems	1				1
49	Rouillard	Susan	Mercy Hospital					1
50	Redlefsen	David	METRO		1		1	
51	Smith	Rebecca	Midtown Community Policing		1			
52	Mokeme	Oscar	Museum of African Culture	1	1	1		
53	Feinberg	Alissa	Parkside Neighbor	1				
54	O'Hara	Frank	Planning Decisions Inc.				1	
55	Beitzer	Jan	Portland Downtown District				1	
56	Rogers	Annette	Portland Housing Authority					1
57	Wentzell	Bryan	Portland Resident- Parkside	1				
58	Navarra	John	Portland West	1				
59	Pearson	Tom	Portland West	1				
60	Ohom	Shauna	PPD - Coordinator		1			
61	Dimock	Kaki	PROP	1				
62	Sawyer Manter	Besty	PROP			1		
63	Linnell	Bill	resident			1	1	
64	Parker	Jaime	resident Munjoy Hill				1	
65	Amato	Cyndi	SARSSM	1				
66	Dioli	Paul	Schotterbeck & Foss					1
67	Sabina	Moses	SJVNA					1
68	Blackstone	Katherine	SMAA	1				
69	Olfene	Amy	Smoke Free Housing Co of ME	1				
70	McNamara	Tim	St. John Valley					1
71	Grealty	Chaning	St. John Valley NA			1		
72	Sabina	Moses	St. John Valley NA			1		
73	Bowcott	Garry	St. John Valley Neighborhood Asso					1
74	Minister	Kristina	St. Luke's Soup Kitchen	1	1			
75	Adams	Herb	State Rep 119 (Dist. 1)		1			
76	Brobst	Sharon	TD Bank North			1		
77	Rincon	Virginia	TengoVoz		1			
78	Teas	Scott	TFH Architects				1	
79	Curry	Kimberly	United Way of Greater Portland	1	1			
80	Lamont	Vallerie	USM				1	
81	Estbrack	Jeff	Wayside Soup Kitchen & Food Rescue		1			
82	Violet	Susan	Wayside Soup Kitchen & Food Rescue	1				1
83	Cherabini	Wendy	West End Resident		1			1
84	Bishop Coleman	Steve	Williams Temple, COGIC			1		
85	Buwthellete	David		1				
86	Holder	Emma		1				
87	Sheedy	Joan						1
				20	19	16	14	69

**CDBG Priorities Task Force**  
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<b>Community Participants</b>				<b>Community Outreach Meetings</b>				<b>Public Forum</b>
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	<b>City Staff</b>							
1	Bobinsky	Mike	City Public Services				1	
2	Gardiner	Douglas	City of Portland, HHS	1	1			
3	Hanig	Nelle	City Economic Development			1	1	
4	Needelman	Bill	City Planning			1	1	
				1	1	2	3	7
				21	20	18	17	
	<b>CDBG TF Members</b>							
1	Bradley	Jon	CDBG Priority Task Force Member	1	1	1		1
2	Celentano	Jeannemarie	CDBG Priority Task Force Member	1	1	1		1
3	Gallagher	Frank	CDBG Priority Task Force Member		1	1	1	
4	Gross	Larry	CDBG Priority Task Force Member	1	1			
5	Harmon	Wendy	CDBG Priority Task Force Member	1	1	1	1	1
6	Juneau	Rhonda	CDBG Priority Task Force Member	1	1		1	1
7	Lachman	Denis	CDBG Priority Task Force Member			1	1	
8	Collins (Priluck)	Anna	CDBG Priority Task Force Member			1	1	1
9	Weyand	Rachael	CDBG Priority Task Force Member		1		1	
	Talbot-Ross	Rachel	CM Staff		1	1		
	<b>CDBG PTF Support Staff</b>							
1	Martzial	TJ	HCD Staff	1	1	1	1	1
2	Marquis	Deb	HCD Staff		1			
3	Grommes Pulaski	Amy	HCD Staff	1	1	1	1	1

Order 70-07/08

Amended & Passage: 10/1/07 9-0

NICHOLAS M. MAVODONES (MAYOR)  
KEVIN J. DONOGHUE (1)  
DAVID A. MARSHALL (2)  
DONNA J. CARR (3)  
CHERYL A. LEEMAN (4)

**CITY OF PORTLAND**  
IN THE CITY COUNCIL

JAMES I. COHEN (5)  
JAMES F. CLOUTIER (A/L)  
JILL C. DUSON (A/L)  
EDWARD J. SUSLOVIC (A/L)

**ORDER ADOPTING HOUSING & COMMUNITY DEVELOPMENT  
TEN POINT PLAN RE: CDBG FUNDING**

**ORDERED**, that the City of Portland Housing and Community Development Ten Point Plan for allocation of the Community Development Block Grant funding, as recommended by the HCD Task Force, is hereby approved as provided in Attachment A.

**CITY OF PORTLAND HCD TEN POINT PLAN**

1. All proposals will meet or exceed HUD and City requirements, be outcome driven, and reflect the priorities identified in the City of Portland's HUD Consolidated Plan. These priorities will be developed every three years through a Priority Setting Process.
2. Priority will be given to proposals providing direct benefit to low and moderate income persons and proposals contributing to a comprehensive revitalization of targeted neighborhoods identified in the HUD Consolidated Plan.
3. Staff will enhance communication and planning with neighborhoods and community members throughout the year. HCD public participation should be a year long process of open communication between City departments, neighborhood associations, public service agencies, and residents discussing needs and coordination of projects. Modes for engaging public input can include but are not limited to meetings, studies, focus group discussions, and surveys. This ongoing communication replaces the traditional, annual, once-a-year HCD Meetings.
4. Restructure CMPAC to create two Council appointed committees:
  - a. Priority Setting Task Force to establish priorities for the HCD Program Funds. Priorities will be set in all three funding categories: planning/ administration, public services, and other public improvement projects. Recommended priorities will be reviewed by a Council Committee prior to City Council review and adoption. This group should consist of 9-16 Portland residents representing diverse and eligible populations and expertise.
  - b. Annual Scoring Committee to rate, rank, score and make recommendations for the allocation of HCD resources. This group should consist of 7-10 Portland residents, who will serve staggered three year terms. Conflict of interest should be minimized; no staff, board members, contractors or anyone receiving financial gain from an applicant's proposal can participate on this committee. HNS staff will conduct a threshold review of applications and forward all that comply with HUD guidelines to the appointing authority. The Mayor shall appoint the initial Annual Scoring Committee for the FY 2008 HCD budget (City FY 2009 budget) and thereafter the appointments will be made through the normal Council appointment process, following threshold review by HNS staff.
5. Recommendations for the HCD Budget from the Annual Scoring Committee will be sent to the City Manager for review. The City Manager will submit his or her budget recommendations, plus a description of budgetary impacts on the General Fund. Council can accept the HCD budget as recommended by the scoring committee, adjust them to reflect changes recommended by the City Manager, or develop a Council decision on a recommended budget.
6. All proposals from agencies, organizations, and City Departments requesting funding are required to submit an annual budget and proposed work plan that communicates the outcomes, objectives and deliverables for the year.
7. All physical improvement, public infrastructure, housing, and economic development project proposals should be adequately funded to complete the proposed scope of work. Proposed projects are to be completed within two years or funds will be reallocated.
8. All applicants must demonstrate administrative and financial history and capacity to complete the proposed scope of work.
9. The Priority Setting Task Force will set a minimum grant amount to ensure a measurable outcome can be tracked. The current \$5,000 minimum grant allotment would remain for FY08-09.
10. Revamp the HCD Program's Request for Proposal (RFP) process to be in compliance with the Purchasing Ordinance. In a competitive process scoring criteria should be based on the priorities developed by the Task Force (and approved by Council) and included in the RFP. Create a pre-

application process for public improvement projects, both in-house and outside, to screen for Environmental Review Requirements, specifically Historic Preservation.

11. The process for the HCD budget in City FY2008 shall be as currently established and the process established in this plan shall be implemented following the passage of that budget.



## Memorandum

Planning and Development Department  
Housing and Community Development Program

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**To:** Joe Gray, City Manager

**Cc:** Lee Urban, Planning and Development Director

**From:** Aaron Shapiro, Housing and Neighborhood Services Director  
Ethan Boxer-Macomber, HCD Program Manager

**Date:** June 15, 2006

**Re:** HCD Program Review and Recommendations

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As a follow-up to our recent discussion on the current policies and practices of the City's Housing and Community Development Program, the enclosed *Draft Program Review* presents some detailed observations and recommendations for consideration.

While this review is staff generated, the observations and ideas it presents are drawn from feedback received through the FY 06/07 budget review process from various participants including: Program sub-recipients and beneficiaries, CMPAC members, HCD Program staff, staff from other affected divisions of the City, and members of the City Council. Additionally, certain observations and recommendations are based on information collected at recent HUD training and NCDA conference events and through other recent communications received from those agencies.

Again, the review is, at this point, only in draft form. Once you have had an opportunity to read and consider this review, we request that you meet with us again on topic to discuss matters internally and consider possible next steps.

## **Housing and Community Development Program 2006 Program Review**

### **INTRODUCTION - Rethinking Community Development in Portland**

The time is both right and ripe to initiate reform in Portland's Community Development programs. The program operates in a framework molded by long established tradition, lacking flexibility to respond to changing community conditions, HUD requirements or national community development innovations.

The challenge the City Council faced in adopting the HCD budget this spring is but one symptom of broader programmatic shortcomings. With careful consideration the program can be brought up-to-date, continuing to provide the programs and services vital to our low/moderate income residents and neighborhoods.

The program has funded many excellent programs and community improvements over the years. Recognize that in all that follows, there is not the slightest intension of degrading the program or the great work that has been accomplished. The focus is solely on improvements, refinements and positive reforms. The intent is to right the ship, not scuttle it.

#### Timing

There will never be an easy time to initiate reform of the City's CDBG program, but four factors make this as good a time as ever.

##### 1) HUD's Outcome Measurement System.

HUD is instituting new systems to track performance of grantees. There is increased emphasis on program outcomes (as opposed to outputs) and measuring and achieving targeted goals.

##### 2) O.M.B Scrutiny., Congressional Oversight and Funding Pressures.

O.M.B. has been vocal in their criticism of the program, pointing to HUD's inability to demonstrate results. Congress is pressed to provide level, but in real dollars, reduced funding. HUD's proposal to change the funding formula, while it may not see the light of day, would cut Portland's allocation by 43%.

##### 3) '06 breakdown at City Council.

The challenge the Council faced in enacting the '07 HCD budget goes well beyond the problem caused by modest HUD funding reductions. The program lacks a clear, defined process to make fair funding distribution choices.

##### 4) New Program Staff.

The new Community Development Program Manager (Ethan Boxer-Macomber) and Director (Aaron Shapiro) have identified numerous issues in need of reform. We recognize the considerable time and energy that will need to be devoted to a change process, but believe it is absolutely necessary.

#### Goals and Priorities

The priority needs list established for the program is incomplete and provides limited guidance

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in determining the allocation of program resources. The program operates without clear guidelines, priorities or objectives. These are critical to providing a rational allocation of resources and knowing whether we're achieving stated goals. Developing such priorities and creating program goals, and following them, will benefit all involved – program applicants, program staff, CMPAC and City Councilors

### Citizen Participation

The Citizen Participation component has three primary elements: Neighborhood meetings; CMPAC and City Council Public Hearings.

Neighborhood Meetings – These are great “town forum” type meetings where a host of important neighborhood issues are aired. They simply don't generally cover the CDBG program, current CDBG funded projects in the neighborhood or future CDBG projects that might be funded. Few people attending or leaving the meeting would have great understanding of the program - what it does or could do for their neighborhood. This situation can easily be changed by modifying the current meeting, particularly in the target area neighborhoods or by augmenting the current meetings with additional gatherings targeted on the CDBG program.

CMPAC – CMPAC labors long and hard. This year's group (2006/2007), like their predecessors, cared deeply about the task and approached it with diligence and devotion. They simply lack the tools to guide their selections. The group operates without defined priorities, review criteria or clear boundaries to frame their deliberations. While they read the applications with care and listen to presentations attentively, choices are largely based upon personal preference, conjecture, speculations or so as to not offend others in the group representing interested applicants.

City Council Public Hearings – The Council will always be the ultimate decision makers and will hold Public Hearings prior to adoption of the program budget. But...if Council were to establish clear priorities, programmatic procedures and an objective review of projects and applications, little would be left to personal preference, political affiliation, or simply past funding practices.

### Allocation of CDBG Resources

The allocation of CDBG resources is bound by longstanding tradition and practice. By virtue of a special exemption received from HUD in 1982 the City expends 33% of program funds for Public Service activities. This is well in excess of the 15% national limit, giving Portland's program the look and feel of a social service grant distribution program, not an overall community development initiative.

The City has historically utilized the full 20% allotted for Planning & Administrative expenditures. Much of this amount pays the salaries Planning Department staff and the Director of the Department of Planning & Development.

The remaining 45% of annual program funds are divided, again more by tradition than plan, between Public Works activities (60%) and Parks & Recreation (40%). The vast majority of funds expended for Public Works activities have been the re-construction of brick sidewalks. It is further noted that the funds for Public Works and Parks projects are typically equally divided between Council Districts #1 & #2. Portions of Council District #3 have recently become eligible so the split now appears more along the lines of 40%, 40%, 20%.

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This funding structure has been static for many years. We believe it's time for reconsideration. A few examples to highlight the issue:

- 1) The re-development of the Reiche School campus grounds will take at least 7 years from planning through final construction. While the project was deemed worthy of funding, we were required to segment activity into three phases and "save up" over five years of HUD allocations to amass enough funds to accomplish the project. It would seem if the project was worth starting, it should be worthy of completing in a timely fashion. It hardly fosters confidence in our community's performance when a child entering first grade at Reiche, when planning for the project began, will be entering middle school when the project is completed.
- 2) The reconstruction of Hampshire Street and the re-development of the Adams Street playground are two additional examples. These projects required the "banking" of program funds over four years of CDBG allocations. With an alternative system to allocate resources projects like these can be completed in much tighter timeframes.
- 3) Public Service funds are "sprinkled" onto 37 programs, 18 of which receive less than \$10,000, with 6 of these receiving less than \$5,000. If significant community issues emerge requiring large resource commitment (e.g. substance abuse/addiction or refugee integration) the program should be flexible and capable of responding.
- 4) Many communities nation-wide provide funds for a variety of programs not typically seen in Portland, for example: small business assistance, economic development, façade improvements, weatherization, infrastructure to support affordable housing, large-scale infrastructure projects, or infrastructure to support affordable housing or homeownership initiatives. Allocating resources to such programs in Portland is impossible given the traditional funding structure.

### Public Service Programs

Given the large percentage of funds distributed to social service programs and agencies, this topic deserves special attention. Thirty-five outside public service agencies currently receive CDBG fund allocations ranging from \$1,000 to \$78,000. Many of these are long-term grantees, receiving allocations for the past 25 years or more.

There are many issues associated with the current Public Service grant program that should be evaluated. The following highlights five large concerns.

- 1) There is no clear sense of community priorities in the use of the funds. The program funds all sorts of activities – day care centers, community newspapers, senior care management, youth activities and on and on – in a grab bag approach. Further, there is no rationale for how dollars are allocated. Why does one program receive \$10,000 and another \$25,000? The answer often lies in how much they received the prior year or how much funds were available the year they initially were funded.
- 2) The application process is opaque. Applicants have no idea how their applications are reviewed. There is no system to rate and rank the applications and projects. Are funds awarded to the best written applications? Well conceived and successful programs? Those with close connections to City Councilors? Those awarded funds in the past? Those meeting

## Appendix E

significant and emerging community needs? No one knows. Further, much of CMPAC's deliberations are based on conjecture and speculation. The Committee has no guidelines on which to base its decisions, just as applicants have no idea how they are judged.

3) Existing grantees have become "entitlements". The chances of receiving funds in the future are almost entirely based upon receiving funds in the past. Once you're in you're in. If you're not currently receiving funds, regardless of how worthy or important the program might be, chances of being awarded a grant are slim. Essentially, new applicants must depose long-time entrenched grantees to be awarded funds.

4) The program tends to fund "agencies" as opposed to investing in programs designed to achieve identified results. Aside from counting program participants, the notion of achieving goals, outcomes or results is negligible.

5) The CDBG program as a whole has become associated in the minds of many community members, particularly those in the social service provider community, as a funder of social service agencies and programs. Many of these programs are closely linked to the social service "safety net" providing assistance to residents in desperate straights. The "community development" aspects of the program, consistent with the original intent of Congress and HUD and operation of the program in communities nation-wide has almost entirely been obscured.

### From Here to There

First off, recognize that we understand that perfection is never possible. There will never be a perfect identification of priorities, everyone will not all agree on one set of programmatic goals. Councilors may object to any proposal that might negatively impact a program they support. Long-time recipients of funds will also object. We know this, but it should not deter us from moving the program closer to where it should lie.

The key to any reform initiative begins with educating the community – from City Councilors, City Staff, grant recipients, neighborhood organizations and the public at large about the block grant program. This includes an understanding of the new emphasis on outcomes and performance measurement.

A short list of initial actions:

Dialogues with significant interested parties:

- City Council Committees beginning with Health and Recreation
- Mayor Cohen
- Councilors in the eligible target neighborhoods
- Neighborhood Organizations
- Representatives of United Way

Review HUD's Table "2B" – The priority needs table

Revise Public Service application

Develop a "rating & ranking" procedure for all programs and applicants

Identify time-frames for infrastructure projects to be funded

Ensure neighborhood meetings address CDBG issues

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### Transition not Transformation

In closing, we emphasize the value and importance of the longstanding relationships we have with multiple community partners. We do not envision and are not recommending a radical transformation of the program in a short timeframe. Instead, we envision a period of transition akin to the changes that the United Way of Greater Portland has undergone.

## SHAPING A COMMUNITY VISION FOR PORTLAND

### DISTINCTIVE FEATURES OF PORTLAND TO VALUE, PRESERVE & BUILD UPON

**Portland is an intimate city, small in scale but big in urban amenities and a high quality of life, which is situated around a scenic Maine coastal peninsula. Portland is a city of neighborhoods around a vibrant downtown, which make up the building blocks to the community as a whole.**

#### **I. A City that Provides for People**

- Portland is the largest city in Maine and is the **economic and service center** for the region.
- Portland continues to attract people of workforce age due to **diverse job opportunities** (particularly in business and technology), quality employment, and a stable economy.
- Portland has a **vital working waterfront** with diverse coastal commerce activities and water dependent uses.
- Portland is the center for many **regional service institutions**, which offer high quality medical care, an extensive range of social services for those in need, and numerous higher education opportunities.

#### **II. A City that is a Good Place to Live**

- Portland retains a **small town feel** with a built environment that is scaled for people, is pedestrian friendly, and is accessible to the community. Residents value and seek to enhance the safety of the community, the proximity of commercial uses near residences, and the walkable nature of the city.
- Portland enjoys a personable and congenial atmosphere that makes it a **welcoming place to work, live and visit**.
- Portland offers the **amenities and services** of a big city. Throughout Portland there are diverse arts, cultural and educational offerings, assorted shopping opportunities, numerous scenic parks and active athletic facilities, and high quality municipal services and infrastructure.
- Portland has an **active and vibrant downtown** both day and night due to its interwoven mix of residential, commercial, institutional, and cultural land uses.
- Portland is the **visual and performing arts center** of Maine.
- Portland is a **city of neighborhoods** with a range of residential neighborhood types, such as high-density areas on the peninsula, early 20<sup>th</sup> century neighborhoods off the peninsula, suburban neighborhoods, and the more rural areas of the Islands.
- Portland is a great place for families with **good neighborhood schools** that serve families throughout their life cycle.

#### **III. A City that Values Its Natural, Architectural, and Cultural Heritage**

- Portland is a **coastal community** that is geographically varied and dynamic with:
  - Spectacular views of Casco Bay and the Islands, Back Cove, and Maine's Mountains from the City's promontories; and
  - Three meandering rivers with significant saltwater estuaries and streams that flow through neighborhoods;
  - Significant wildlife and fisheries resources; and
  - Access to our natural features through the City's trails, parks and scenic viewpoints.
- Portland is a **culturally and ethnically diverse community** that values its shared history, is proud of its cultural diversity and is working together for a cohesive community.
- Portland is a **historic maritime city**, which
  - Retains a rich historic character for both commercial and residential neighborhoods,
  - Offers a broad spectrum of architecture and distinctive landmarks, and
  - Maintains unifying features: such as brick buildings and sidewalks, and established and traditional neighborhoods with narrow and interconnected streets.

# SHAPING A COMMUNITY VISION FOR PORTLAND

## FUTURE DIRECTIONS FOR PORTLAND

Portland is Maine's principal city, the **center of employment, housing, and services** for the region. In the future Portland will evolve as an extension, continuation and enhancement of the best qualities and characteristics of Portland today. Progress and prosperity will result from both incremental growth and bold initiatives tempered by careful consideration and foresight in planning. Portland's future will:

### **I. Build a Vibrant Small City**

- Build upon the distinctive fabric of Portland's built environment by **rehabilitating historic resources** and by **developing new buildings that respect the scale and character of traditional development patterns**. New development shall be pedestrian oriented and accessible.
- Strive for innovation and bold initiatives that increase the livability and quality of life in Portland.
- Support a **dynamic downtown** that embraces an intertwining of uses, including residential, business, retail, institutional, service, and arts and cultural uses.
- **Promote, support and celebrate the arts and cultural community** that enriches the lives of our citizens.
- **Capitalize on Portland's economic assets** and develop a strong economy based upon traditional industries, a strong retail and office center, and emergent opportunities in industry, business, and coastal commerce.

### **II. Serve the People**

- **Provide compassionate services** for the City's vulnerable citizens, while leading regional approaches to share the responsibility of caring for citizens in need.
- Foster **expanded opportunities, innovative solutions and exemplary services** from Portland's institutions for higher education, health care, and community services.
- **Achieve and operate excellent neighborhood schools** with state of the art facilities, which serve the educational needs of all students. Establish wide recognition that Portland schools meet or exceed the educational performance of any other public school system in the region.
- Support and encourage the creation and preservation of an **adequate supply of quality housing** for all.

### **III. Provide High Quality Leadership**

- Create a **sustainable community** with vital neighborhoods, high quality infrastructure, a strong economy, and a healthy environment, while keeping municipal taxes affordable.
- Encourage **excellence in City government and comprehensive planning** through increased civic involvement, responsive local government, accountable decision making, and creative and adaptive local and regional planning. Innovative thinking and leadership will preserve those attributes of Portland that we value.
- **Incorporate environmental, economic and neighborhood considerations** in municipal decision-making.
- Take the lead in developing **clear standards and rules and ensure adherence** thereto.

### **IV. Protect Our Community Attributes**

- **Protect the natural environment and historic resources**.
- **Preserve and enhance the park system** with its trails, active recreation facilities and natural areas.
- **Strengthen alternative transportation options** to create an accessible city that promotes ease of movement for all citizens, serving neighborhood needs, pedestrians, handicapped persons, bicyclists, and vehicles.
- **Listen to, embrace, empower and support our diverse citizenry**.

## Chapter 2: Overview of the CPD Outcome Performance Measurement System

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*Chapter 2 provides an overview of the CPD Outcome Performance Measurement System. It describes what activities the system covers, how the system is organized, and what the grantee must do in order to use the system. The chapter further describes the key reporting classifications of the system—the activity objectives, outcomes, and indicators of activities. A glossary at the end of the chapter includes definitions of key terms used in the system.*

### Types of Activities

The CPD Outcome Performance Measurement System is organized around the major types of activities funded by CDBG, HOME, HOPWA, and ESG. The following activities are covered by the system. Each is discussed in further detail in subsequent chapters:

- Housing;
- Economic development;
- Homeless housing and support;
- Housing for persons with AIDS;
- Public services;
- Public facilities; and
- Geographic-based revitalization efforts.

### Highlights of the System

The final framework adopted by the CPD Performance Measurement Working Group reflects intensive discussion, research, and analysis over an 18-month period to meet the goals and adhere to the guiding principles it established for the system. The key features of the system include:

- Common performance measures that apply to all four programs:** The measures of program performance that are incorporated into the system are structured by type of activity, rather than by program. This feature means that for activities common across several programs (e.g., housing rehabilitation) the same performance data is collected regardless of the source of funds.
- Outcome measures are driven by local intent:** The system recognizes that the same activity may be undertaken for different purposes and to achieve different types of results. With this system, grantees can specify their program intent and the type of outcomes that they anticipate for an activity.

- ❑ **Indicators that use data commonly collected by grantees:** The indicators used by the performance measurement system are based on data that are readily gathered by grantees, regardless of size or administrative capacity.
- ❑ **Data collected from all grantees will enable HUD to roll up results to a national level:** The system focuses on a limited set of performance indicators and data items that are required of all grantees. The use of a single standardized set of data, regardless of variation in local program design, means that HUD can readily "roll up" the results reported by grantees from across the country into a set of overall national results by program.

## **Key Components of the CPD Outcome Performance Measurement System**

In varying degrees of specificity, most grantees have a stated purpose for program activities they choose to undertake. It is only logical that these activities be evaluated based on how well they meet the intended purposes. For this reason, the CPD Outcome Performance Measurement System is designed to capture the state and local program purposes, and then to generate certain performance indicators that measure the activity's success at achieving the intended purpose.

There are three main components to the CPD Outcome Performance Measurement System:

- ❑ Objectives;
- ❑ Outcomes; and
- ❑ Indicators.

A list of commonly asked questions on objectives, outcomes, and indicators is provided as Appendix 3 to this guidebook.

### **Using the System – A Brief Overview of Key Actions for Grantees**

To understand the key components of the system, it is helpful to begin with a brief overview of how grantees will use the system. For each activity that a grantee plans and ultimately funds, the grantee will need to:

1. **Determine the goal of the activity.** This task is performed both when grantees prepare their Consolidated Plan submissions (i.e., Strategic Plan or Annual Action Plans) and make a decision to fund an activity.
2. **Select one objective and one outcome that best reflect the goal or purpose of the activity.** This task also is performed when grantees prepare their Consolidated Plan submissions and make a decision to fund an activity.
3. **Indicate the corresponding objective and outcome for an activity** when setting up the activity in IDIS; and

4. **Report on the applicable indicators** regularly in IDIS and when completing an activity in IDIS.

The CPD Outcome Performance Measurement System focuses on activity level data as that term is used in IDIS. The activity type (and national objective for CDBG-assisted activities) will generally dictate which outcome indicator fields will need to be completed.

When the grantee sets up an activity in IDIS, the CPD Outcome Performance Measurement System will require the grantee to select from a list of predetermined objectives and outcomes. Objectives and outcomes will help define the grantee's intended purpose for the activity it is funding. For each activity, grantees must choose one of the three objectives that best fits the purpose of the activity based on the type of activity, funding source, and local program intent. Once the grantee has chosen the appropriate objective for its activity, it must then choose the outcome that best reflects what it is seeking to achieve based on the purpose of the activity.

The objectives closely mirror the statutory objectives of each program and, therefore, grantees can only select the one objective that the activity is intended to meet. To avoid diluting data with too much information, grantees must choose one of three outcomes, depending on which outcome is most appropriate for their activity. While it may be the case that a grantee feels that two or even all three outcomes are equally important to its activity, it must select only one for the purpose of IDIS data entry. However, a grantee may indicate more than one proposed outcome for an activity in the narratives for its Consolidated Plan or Annual Action Plan and its reporting.

### ***Objectives***

The CPD Outcome Performance Measurement System offers three possible objectives for each activity. These objectives are based on the broad statutory purposes of the four CPD programs:

- Creating Suitable Living Environments** relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment. This objective relates to activities that are intended to address a wide range of issues faced by low- and moderate-income persons, from physical problems with their environment, such as poor quality infrastructure, to social issues such as crime prevention, literacy, or elderly health services.
- Providing Decent Housing** covers the wide range of housing activities that are generally undertaken with HOME, CDBG, or HOPWA funds. This objective focuses on housing activities whose purpose is to meet individual family or community housing needs. It does not include programs where housing is an element of a larger effort to make community-wide improvements, since such programs would be more appropriately reported under Suitable Living Environments.

- ❑ **Creating Economic Opportunities** applies to activities related to economic development, commercial revitalization, or job creation.<sup>1</sup>

The objectives are framed broadly to capture the range of community impacts that occur as a result of program activities. Grantees can use the framework of the CPD Outcome Performance Measurement System as a basis for developing their own local system and incorporate more specific objectives that reflect their local priorities. However, for HUD, it is important that grantee activities be mapped to one of these three objectives so that HUD can describe the results of the four programs at a national level.

**TIP**

*When selecting an **objective**, ask:*

What is the purpose of the activity?

What is the larger community need that I am seeking to address?

**Outcomes**

The second component of the system – outcomes - is closely related to the objectives. The program outcome helps further refine the grantee's objective and is designed to capture the nature of the change or the expected result of the objective that a grantee seeks to achieve. Outcomes correspond to the question "What is the **type** of change the grantee is seeking? Or what is the expected result of the activity?"

**TIP**

*When selecting an **outcome**, ask:*

What type of change or result am I seeking?

The Performance Measurement Working Group considered a wide range of reasons why a grantee might fund activities and narrowed the outcomes down to the following three:

- ❑ **Availability/Accessibility** applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the basics of daily living available and accessible to low- and moderate-income people where they live.
- ❑ **Affordability** applies to activities that provide affordability in a variety of ways to low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care. Affordability is an appropriate objective whenever an activity is lowering the cost, improving the quality, or increasing the affordability of a product or service to benefit a low-income household. For instance, a low

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<sup>1</sup> The objective "Creating Economic Opportunity" is unlikely to be used for housing activities supported with HOME, HOPWA, or ESG funds.

interest loan program might make loans available to low- and moderate-income microenterprise businesses at 1% interest, which is far below the market rate. This program lowers the cost of the loan, enabling entrepreneurs to start businesses. As a result, the program makes financing more affordable. Another example might be a subsidized day care program that provides services to low- and moderate-income persons/families at lower cost than unsubsidized day care.

- **Sustainability** applies to activities that are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Remember, the same activity can be categorized in different ways, depending on the local intent. For example, a rental rehabilitation program may be offered to increase the supply of affordable housing units for large families. The outcome for the program would be "Availability/accessibility" since the nature of the change is to make additional larger units available in the housing market. In a different jurisdiction, a rental rehabilitation program might provide a development subsidy for the rehabilitation of large units for the purpose of lowering the cost of housing or to provide decent and safe housing in a particular neighborhood or community for larger families. There, the primary outcome would be "Affordability."

To avoid diluting data with too much information, grantees must choose one of three outcomes, depending on which outcome is most appropriate for their activity. While it may be the case that a grantee believes that two or even all three outcomes are equally important to its activity, it must select only one outcome.

It is important to note that 'sustainability' is specifically tied to activities that are designed for the purpose of ensuring that a particular geographic area as a whole (such as a neighborhood) becomes or remains viable. It is targeted at supporting a specific physical location. On the other hand, 'availability' is related to making services, infrastructure, housing, or shelter available or accessible to individual residents/beneficiaries. Also, although the term 'accessibility' also refers to access for persons with disabilities as an outcome, it is intended to mean increased access to various services, housing units, or facilities.

Using the framework shown below in Exhibit 2-1 and data reported by grantees, HUD will generate national outcome statements to describe the aggregate impact that local program activities are achieving. Exhibit 2-2 below provides examples of individual national outcome statements.

**Exhibit 2-1: Link between Objectives, Outcomes, and Outcome Statements**

	<b>Outcome 1: Availability/Accessibility</b>	<b>Outcome 2: Affordability</b>	<b>Outcome 3: Sustainability</b>
<b>Objective #1 Suitable Living Environment</b>	<b>Accessibility for the purpose of creating Suitable Living Environments</b>	<b>Affordability for the purpose of creating Suitable Living Environments</b>	<b>Sustainability for the purpose of creating Suitable Living Environments</b>
<b>Objective #2 Decent Housing</b>	<b>Accessibility for the purpose of providing Decent Housing</b>	<b>Affordability for the purpose of providing Decent Housing</b>	<b>Sustainability for the purpose of providing Decent Housing</b>
<b>Objective #3 Economic Opportunity</b>	<b>Accessibility for the purpose of creating Economic Opportunities</b>	<b>Affordability for the purpose of creating Economic Opportunities</b>	<b>Sustainability for the purpose of creating Economic Opportunities</b>

These outcome statements will help the grantee to demonstrate the results its program is making at the local level and help HUD to demonstrate how Federal funds are being used to make a difference at the national level.

**Indicators**

Once the grantee has established the program purpose (objective), and intended result (outcome), the next step is to identify how to measure progress toward achieving the intended results. The IDIS system simplifies this job by identifying the indicators the grantee must report on. Some are common indicators that will be reported for nearly all program activities. Others are activity-specific indicators that are relevant only for the specific activity the grantee is undertaking.

Grantees will be required to report on the indicators that are applicable to the individual activities that they fund. An activity does not have to report on all the indicators that could be achieved, but data on all of the indicators that describe the results of their activity must be reported.

## Exhibit 2-2: CPD Outcome Performance Measurement System - Outcome Statements

The following outcome statements are examples of how HUD will be able to use the information reported in IDIS, using the outcomes and indicators in the Outcome Performance Measurement System, to generate reports that can produce outcome statements similar to those shown in the attachment.

### **Outcome Statement for Senior Public Services and Senior Public Facilities Activities**

In FY 2004, the CDBG program provided access to affordable services and facilities for over 2.4 million of our nation's 36 million senior citizens, 4 million of whom lived at or below the poverty level. CDBG funding provided new access to services for 700,000 seniors, improved access to services for over 1.1 million seniors, and improved the quality of services for 600,000 senior citizens creating more suitable living environments and more viable communities for elderly individuals whose median annual income nationwide was \$23,787. The CDBG program assisted 1.6 million of those senior citizens by supporting public services, such as meals on wheels and operating costs of senior transportation, senior health clinics, and other programs; the program assisted nearly 800,000 seniors through the construction and rehabilitation of senior centers and other facilities devoted to providing essential services to our elderly population.

### **Outcome Statement for Owner-Occupied Housing Rehabilitation**

In FY 2004, the CDBG program rehabilitated 138,000 owner-occupied homes for the purpose of sustaining decent affordable housing. 32,000 housing units, previously considered substandard according to local codes, were brought up to local standards as a result of the CDBG-funded rehabilitation. Over 12,000 housing units were brought into compliance with lead safety rules: 5,000 units met International Building Code Energy Standards; and 1,000 units met Energy Star standards. Other Federal programs subsidized 200 of these units, while state or local programs subsidized 78.

### **Outcome Statement for Jobs**

In FY 2006, grantees used \$400 million in CDBG funds to create economic opportunity across America by assisting 7,000 businesses, of which 4,000 provide needed goods and services to low-and moderate-income communities. These 7,000 businesses created 75,000 new full-time employment opportunities and 12,000 of those positions went to unemployed persons. Of these newly created jobs, 33,000 of these positions provide employer-sponsored health care benefits thereby increasing access to quality health care for individuals obtaining those jobs. The creation of these 75,000 jobs represents a significant contribution toward the total of 3.3 million new jobs reported by the Bureau of Labor Statistics as having been created nationwide in FY 2006.

### **Outcome Statement for Public Facilities**

In FY 2004, the CDBG program provided new (first-time) access to a potable public water supply system for 155,000 persons, providing accessibility to a suitable living environment for these citizens. 95,000 of these citizens were low-and moderate-income persons. 125,000 of these persons were assisted through a combination of CDBG and other Federal program resources.

The CDBG program also provided for the rehabilitation of existing public water supply systems that benefited 85,000 persons; 65,000 of these were of low-and moderate-income. 55,000 of these persons were assisted through a combination of CDBG and other Federal program resources. Having access to an improved public water supply provided citizens with a sustained suitable living environment.

**Outcome Statement for Homeownership**

In FY 2004, the CDBG program provided new (first-time) access to homeownership units through the construction, acquisition, or rehabilitation of homeownership units for 15,000 persons, providing accessibility to decent housing for these citizens.

The CDBG program also directs financial assistance to first-time homebuyers for 100,000 persons, which included 40,000 minority households.

\* Please note that for the HOME Program, the default setting in IDIS for objectives will be “decent housing” and for outcomes “affordability.”

***Common Indicators***

There are four common indicators that are relevant for most activities. The system requires the grantee to report on these data elements for nearly all program activities. Note, however, that depending on the source of funds for the activity (HOME, CDBG, HOPWA, or ESG), the grantee may be required to report on different levels of specificity, or in some cases, the grantee may not be required to report on every element listed below:

- Amount of money leveraged from other Federal, state, local, and private sources, per activity.
- Number of persons, households, businesses, units or beds assisted, as appropriate.
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent or 80 percent of area median income.
  - Reported income targeting will vary, in accordance with the applicable program requirement. However, grantees will not be required to collect any income data that goes beyond what is currently required.
  - For CDBG activities that benefit an area, the data reported for that activity will need to show the total number of persons served and the percentage of low- and moderate-income individuals served.
  - Under the State CDBG Program, grantees currently need to report beneficiaries by the CDBG income levels for all activities other than administration and some planning. Note that these current requirements will change when the Phase I re-engineered IDIS is implemented.
- Race, ethnicity, and disability data for activities that currently report these data elements.
  - Under CDBG Entitlement Communities Program, race/ethnicity data is required only when the activity is specifically undertaken to directly benefit persons or households, such as job creation activities or housing rehabilitation. Race and ethnicity data is **not** required for activities under the CDBG low- and moderate-income area benefit, slum/blight, or urgent need national objectives.

- Under the State CDBG Program, grantees are currently required to report on race/ethnicity for all activities other than administration and some planning activities. Note that these current requirements will change when the Phase I re-engineered IDIS is implemented.
- Grantees will not be required to collect any race/ethnicity data beyond what is currently required.

### ***Specific Indicators***

In addition to the common indicators that are used for all program activities, there are 18 major activity-specific indicator categories as shown in Exhibit 2-3 below. These indicators cover most activities carried out under the four Con Plan programs including housing, services for homeless individuals and families, public facilities/infrastructure, public services, and economic development activities. The complete set of indicators is listed in the March 7, 2006 *Federal Register* Notice, provided as Appendix 2 of this guidebook.

For each indicator category, there are several required data items that measure key characteristics of activities performed. For example, the data items for housing indicators capture the income levels of the households served, physical condition of the housing, whether the housing serves people who were previously homeless, and key features of the housing such as energy efficiency and safety from lead-based paint hazards. These characteristics help capture the extent to which an outcome is achieved.

The grantee is required to enter data only on indicator items that are relevant to the type of activity it undertakes, the intent of the activity, and for CDBG activities, the national objective. Current data collection requirements for each program remain unchanged. The applicable indicators are automatically generated by IDIS when the indicator is a requirement of the program funding the activity.

# CDBG Quick Guide

## INTRODUCTION TO THE CDBG PROGRAM

The Community Development Block Grant (CDBG) Program was authorized by the Housing and Community Development Act of 1974.

- ◆ The CDBG program consolidated several categorical grants (urban renewal, neighborhood development and model cities) into a single “block” grant program.
- ◆ The primary objective of the program is the development of viable urban communities by providing:
  - Decent housing;
  - A suitable living environment; and
  - Expanded economic opportunities.
- ◆ A primary goal of program is to benefit persons of low and moderate income.
- ◆ To ensure conformance, the US Dept. of HUD lists eligible activities and national objectives that each activity must meet. These key requirements appear as Federal regulations at 24 CFR 570.

## KEY CDBG REQUIREMENTS

### Eligible Activities

<p>Activities Related to Real Property</p>	<ul style="list-style-type: none"> <li>◆ Acquisition</li> <li>◆ Disposition</li> <li>◆ Public facilities and improvements, including:           <ul style="list-style-type: none"> <li>• Acquisition, installation, construction and rehabilitation of infrastructure (water/sewer lines, streets, sidewalks)</li> <li>• Acquisition, construction or rehab of neighborhood facilities for persons with special needs (homeless shelters, group homes and halfway houses)</li> </ul> </li> <li>◆ Clearance and demolition</li> <li>◆ Interim assistance to prevent severe deterioration or alleviate emergencies</li> <li>◆ Completion of urban renewal projects</li> <li>◆ Privately-owned utilities</li> <li>◆ Homeownership assistance (down payment assistance, interest subsidies)</li> <li>◆ Rehabilitation activities, including:           <ul style="list-style-type: none"> <li>◆ Acquisition for rehab and rehab for residential purposes (labor/materials)</li> <li>◆ Loans for refinancing existing secured indebtedness</li> <li>◆ Other related improvements, costs and services</li> </ul> </li> <li>◆ Code enforcement</li> <li>◆ Historic preservation</li> <li>◆ Renovation of closed buildings</li> <li>◆ Lead-based paint testing and mitigation</li> </ul>
<p>Activities Related to Economic Development</p>	<ul style="list-style-type: none"> <li>◆ Microenterprise assistance (financial support, technical assistance, related services)</li> <li>◆ Special economic development assistance activities that produce certain public benefits (jobs or retail services) through:</li> </ul>

	<ul style="list-style-type: none"> <li>Acquisition, construction, rehabilitation or installation of commercial or industrial buildings, equipment and other improvements</li> <li>Financial and technical assistance as well as related services</li> </ul>
Activities Related to Public Services	<ul style="list-style-type: none"> <li>Public services, including: <ul style="list-style-type: none"> <li>Job training and employment services; health care and substance abuse services; child care; crime prevention; and fair housing counseling</li> <li>Other types of various services</li> </ul> </li> </ul>
Assistance to Community Based Development Organizations (CBDOs)	<ul style="list-style-type: none"> <li>Grants or loans to CBDOs to carry out the following types of projects: <ul style="list-style-type: none"> <li>Neighborhood revitalization</li> <li>Community economic development</li> <li>Energy conservation</li> </ul> </li> </ul>
Other Types of Activities	<ul style="list-style-type: none"> <li>Relocation assistance and related loss of rental income</li> <li>Technical assistance to public or non-profit entities for capacity building</li> </ul>
Planning and Administration Activities	<ul style="list-style-type: none"> <li>Planning activities including plans; studies; and policy-planning, management and capacity building activities</li> <li>Program administration activities including general management, oversight and coordination; public information; fair housing activities.</li> </ul>

**National Objectives**

CDBG grantees are responsible for assuring that each eligible activity meets one of three national objectives:

- Benefits low- and moderate-income persons
- Aids in the prevention or elimination of slums or blight
- Meets a need having a particular urgency (referred to as urgent need).

For an activity to meet a national objective, it must satisfy one set of criteria for that national objective.

Each set of criteria offers a possible way to qualify an otherwise eligible activity. The three national objectives and criteria appear in the following sections:

Low- and Moderate-Income (LMI) Benefit	<p><b>Area Benefit:</b> Activity provides benefit to area where at least 51% of residents receive low- to moderate-incomes</p> <ul style="list-style-type: none"> <li>Area is primarily residential and activity meets LMI needs.</li> <li>Income levels are documented by Census or an approved substitute.</li> <li>Exceptions apply under special circumstances.</li> </ul> <p><b>Limited Clientele:</b> Activity benefits a limited number of persons who are at least 51% LMI</p> <ul style="list-style-type: none"> <li>Persons are presumed to be LMI (abused children, elderly, homeless).</li> <li>Assistance is for LMI persons owning or developing microenterprises.</li> <li>Activity is a job training or placement activity. (Conditions do apply.)</li> </ul> <p><b>Housing:</b> Activity provides or improves residential structures to be occupied by LMI persons</p> <ul style="list-style-type: none"> <li>At least 51% of units must be occupied by LMI.</li> <li>Exceptions to the 51% rule are possible under limited circumstances.</li> </ul> <p><b>Jobs:</b> Activity creates or retains jobs</p> <ul style="list-style-type: none"> <li>At least 51% of the jobs must be held by or available to LMI persons.</li> </ul>
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Slums/Blight	<p><b>Area Basis:</b> Activity addresses slums and blight in area designated under state or local law</p> <ul style="list-style-type: none"> <li>◆ Area must have a substantial number of deteriorated buildings.</li> <li>◆ Activity must address one or more conditions contributing to deterioration.</li> </ul> <p><b>Spot Basis:</b> Activity eliminates specific condition of blight in particular instance</p> <ul style="list-style-type: none"> <li>◆ Condition is not located in a slums and blight area.</li> <li>◆ Activity is acquisition, clearance, relocation, historic preservation, or rehabilitation. (Conditions do apply to rehabilitation.)</li> </ul> <p><b>Urban Renewal Area:</b> Activities located in urban renewal area or Neighborhood Development Program area</p> <ul style="list-style-type: none"> <li>◆ Activity must be necessary to complete the urban renewal plan.</li> </ul>
Urgent Need	<p><b>Criteria:</b> Community must satisfy these requirements;</p> <ul style="list-style-type: none"> <li>◆ Conditions are a serious and immediate threat to health and welfare and are of recent origin</li> <li>◆ It cannot fund activity on its own as other sources of money are unavailable.</li> </ul>
<b>Other Federal Requirements</b>	
More Rules & Regulations	<p>In addition to the key programmatic requirements noted in this guide, CDBG projects may also be subject to other Federal requirements, including:</p> <ul style="list-style-type: none"> <li>◆ <b>Fair housing and equal opportunity:</b> Discrimination based on race, color, national origin, religion, sex or age is prohibited.</li> <li>◆ <b>Handicapped accessibility:</b> Generally, Federally-assisted buildings and facilities must be accessible to handicapped persons.</li> <li>◆ <b>Employment and contracting:</b> Grantees may not discriminate in employment and must make efforts to provide training and employment opportunities to low income residents.</li> <li>◆ <b>Environmental review:</b> Grantees must undertake environmental reviews in accordance with 24 CFR Part 58.</li> <li>◆ <b>Flood insurance:</b> CDBG funds may not be provided in a Federal Emergency Management Agency (FEMA) designated special flood area unless specific precautions are undertaken.</li> <li>◆ <b>Lead-based paint:</b> CDBG rehabilitation and construction activities must comply with 24 CFR Part 35 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act.</li> <li>◆ <b>Labor standards:</b> Construction activities may be required to comply with the Davis Bacon Act and the Contract Work Hours and Safety Standards Act.</li> <li>◆ <b>Debarred, suspended and ineligible contractors and subrecipients:</b> CDBG funds cannot be provided to debarred, suspended, or ineligible contractors, subcontractors or subrecipients.</li> <li>◆ <b>Conflict-of-interest:</b> CDBG recipients and subrecipients must comply with procurement requirements found at 24 CFR 85 (state and local governments) and 85.42 (non-profits) and with any other applicable conflict-of-interest provisions.</li> </ul>