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HONORABLE CITY COUNCIL

RE: Overview of the Community Development Block Grant/Neighborhood Opportunity Fund Public Service (PS) and Public Facility Rehab (PFR) recommendations for 2019-20

This report provides an overview of the 2019-20 Community Development Block Grant (CDBG)/ Neighborhood Opportunity Fund (NOF) program.

The City Planning Commission (CPC) has completed its review of the recommendations of the Mayor for the 2019-20 program year and is forwarding its recommendations to the Your Honorable Body for consideration. On January 18, 2019, a chart listing recommendations from the Housing and Revitalization Department (HRD), the Mayor's office, and the CPC was submitted to Your Honorable Body at the end of the Formal Session of January 22, 2019.

Similar to the past several years, on Monday, January 28, 2019, the City Council is scheduled to hold a public hearing for the NOF program and an appeals hearing. City Council is scheduled to vote on the CDBG/NOF 2019-20 allocations on Tuesday, February 5, 2019.

BACKGROUND

The Housing and Revitalization Department (HRD) is the City's lead department in administering the CDBG/NOF program. This review focuses on funding amounts allocated to community based organizations for PS and PFR. In July 2019, HRD informed City Council of its plan to shift the Homeless Public Service (HPS) application review to the springtime, in order to coincide with the Emergency Shelter Grant (ESG) application review timeline.

APPLICATION REVIEW PROCESS

Timeline for the 2019-20 CDBG/NOF Review

The timeline for the 2019-20 CDBG/NOF review is similar to the past few years, except for a few changes. This year, the application was available earlier on the City's Bidsync system - from August 31, 2018 through October 1, 2018, rather than last year's September 13, 2017 through October 16, 2017 submittal timeline. The NOF proposals were due on Monday, October 1, 2018 by 4:00 PM. This earlier submittal deadline gave City staff additional time to review the applications.

Proposal Writing Workshops

HRD hosted two proposal writing workshops. The first workshop was held Saturday, August 18, 2018 from 10 AM - 1 PM at Focus Hope. The second workshop was held on Wednesday, September 12, 2018 from 5:00 PM - 8:00 PM at the Samaritan Center. Also, to meet the workshop requirement, groups were allowed to view a series of videos on the City's YouTube page.

Submittals and Review

Similar to previous years, PS has five sub-categories: education, health, public safety, recreation and seniors. The total number of applications received this year for PS was 48 compared to 46 last year. The total number of applications this year for PFR was 10 compared to 13 last year. HRD screened the proposals and determined that 5 of the PS and 5 of the PFR did not meet threshold requirements listed in the application. A summary of the 10 proposals that did not meet threshold are listed on page 4 of the chart.

HRD worked in cooperation with CPC staff, the Office of Grants Management (OGM) and the Office of Contracting and Procurement (OCP) in reviewing the submitted CDBG/NOF applications. During the months of October and November, CPC staff met with staff from HRD, OGM, and OCP to conduct a joint review and scoring of each proposal. Each proposal was scored separately ranging from 0 to 100 points using a scoring criteria grid; then the staff met to discuss each proposal and develop a single consensus proposal ranking. It was agreed amongst staff that proposals scoring less than 80 points would be not be recommended for funded due to a low score. Afterwards, HRD reviewed the number of proposals, final consensus data, and anticipated entitlement amounts, in order to determine HRD recommended funding amounts.

CDBG FUNDING

The City of Detroit CDBG allocation, as well as the rest of the country, for 2019-20 from HUD has not yet been released. The following table shows the amount of the Detroit CDBG allocation for the past seven years, as well as the City's projection for 2019-20.

Year	Detroit CDBG Allocation	Change From Previous Year
2019-20	\$32,660,442 projected	
2018-19	\$34,379,413	increase \$3,087,522 (+9.9%)
2017-18	\$31,291,891	decrease \$80,494 (-.3%)
2016-17	\$31,372,385	decrease \$157,663 (-.5%)
2015-16	\$31,530,048	decrease \$579,123 (-1.8%)
2014-15	\$32,109,171	decrease \$767,914 (-2.3%)
2013-14	\$32,877,085	decrease \$476,424 (-1.4%)
2012-13	\$33,353,509	

The table shows an allocation around \$31 million for the past several years, with slight decreases each year. However, last year for 2018-19, the City projected \$29,727,296, but instead received \$34,379,413, a 9.9% increase. For 2019-20, HRD is projecting a 5% decrease from last year.

Public Service 15% Cap

Federal regulations require that no more than 15% of the entitlement funds (plus program income) be allocated toward PS and HPS funding. The Administration is allocating \$2,205,000 for PS for 2019-20 verses \$2,065,000 that was originally allocated and then increased to \$2,794,992 for

2018-19.

Threshold Criteria and Funding Priorities

Back in 1994, City Council first approved eligibility criteria for both NOF/CDBG funded proposals. Since then, City Council has relied increasingly on the criteria to determine eligibility of the proposals. In July of 2007, partly in response to concerns of HUD, the City Council adopted Joint Threshold Criteria to be utilized by both the legislative and executive branches of government. For this year, the Administration and City Council's joint threshold criteria was listed in the application.

In June 2018, CPC staff asked each Council Member to identify and rank funding priorities for PS, via a survey form. As a part of the 2019-20 application, the following priorities were listed:

- 1) Priorities for PS (Public Safety, Seniors, Education, Recreation, and Health)
- 2) Priorities for Non-Public Service (Economic Development, Housing, Public Facilities, and Demolition).

CPC REVIEW AND RECOMMENDATION

At its meeting on December 6, 2018, the City Planning Commission received the subject chart with the HRD's recommended funding amounts. The CPC for its deliberations went through each page of the chart discussing the various proposals. At its meeting on January 17, 2019, the City Planning Commission received the Mayor's recommendations. The CPC discussed various aspects of the scoring and threshold criteria. In conclusion, the CPC recommended acceptance of the Mayor's recommendations.

Respectfully submitted,

ALTON JAMES, CHAIRPERSON



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