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TO: City Planning Commission

FROM: George A. Etheridge, Staff
Christopher Gulock, AICP, Staff

RE: **Overview of the Community Development Block Grant/Neighborhood Opportunity Fund Public Service (PS) recommendations for 2021-22**

DATE: January 26, 2021

This report provides an overview of the 2021-22 Community Development Block Grant (CDBG)/Neighborhood Opportunity Fund (NOF) program.

The Housing and Revitalization Department (HRD) is the City's lead department in administering the CDBG/NOF program. The City Planning Commission (CPC) received an informational presentation from HRD and CPC staff on January 21, 2021, at which time, it was stated the funding recommendations from the department (HRD) and the Mayor's office were in the process of being finalized. The Mayor's office has completed their review for the 2021-22 program year and HRD is now forwarding the recommendations to the Commission for your consideration and recommendation to City Council. Attached to this report is a chart listing the recommendations from the HRD and the Mayor's office.

The three primary objectives of CDBG funding are to: 1) Provide services to low- to moderate-income individuals, 2) Eliminate slums and blight, and 3) Address urgent need. Similar to last year, this review deals only with Public Service (PS) organizations recommended for funding through the CDBG/NOF program. HRD did not include Homeless Public Service (HPS) or Public Facility Rehab (PFR) funding with this Request for Proposals (RFP), given the department's efforts to once again align the HPS award timeline with that of the Emergency Solutions Grants (ESG) program. For the past decade, the City of Detroit has utilized HPS funds as a match for the ESG program in order to ease the financial burden on the subrecipients and to leverage the Federal funds awarded by HUD.

The unforeseen impacts of the COVID-19 pandemic on the City of Detroit and the city's most vulnerable populations, i.e., individuals suffering from chronic homelessness has caused HRD to shift their priorities for the PFR program. The RFP for PFR was issued in the latter part of 2020 geared specifically to organizations providing emergency shelter to homeless individuals. That RFP closed on December 18, 2020, with a total of four organizations submitting responses to the RFP. It is anticipated that interdepartmental consensus review of these applications will be completed by

Friday, January 29, 2021. Similarly, to last year, HRD plans to release a RFP HPS in the Spring 2021.

On Monday, February 8, 2021, the City Council is scheduled to hold a public hearing for the PS program and an appeals hearing. On Tuesday, February 16, 2021, City Council is scheduled to vote on the NOF PS 2021-22 allocations.

APPLICATION REVIEW PROCESS

Timeline for the 2021-22 CDBG/NOF Review

The timeline for the 2021-22 CDBG/NOF review was similar to previous years. On July 1, 2020 HRD held a virtual Best Practice Forum due to the COVID-19 restrictions that are in place. For the past several years, the City of Detroit has utilized the BidSync system for the receipt of applications and supporting documentation. However, this year, the Oracle system was utilized for the CDBG/NOF process. In light of this change, three virtual Oracle training workshops were held via Zoom on June 9th, July 27th, and September 10th. This past year, the application was made available online via the City's Oracle system - from September 9, 2020 through October 9, 2020. All NOF PS proposals were due on October 9, 2020 by 4:00 p.m.

Proposal Writing Workshops

HRD hosted two virtual proposal writing workshops via Zoom. The first workshop was held Wednesday, August 19, 2020. The second workshop was held on Thursday, September 10, 2020. RFP workshops were also recorded and posted on the HRD website, as well as the City's YouTube page. Additionally, a recorded link was sent to those who registered for the RFP workshops. In an effort to further spread the word about the NOF program, HRD presented during a Community Development Advocates of Detroit (CDAD) member meeting.

Submittals and Review

PS has five sub-categories: education, health, public safety, recreation and seniors. The total number of applications received this year for PS was 50, which is the same as FY 2020-21 compared to 48 the previous year (FY 2019-20).

HRD screened the proposals and determined that seven of the proposals did not meet threshold requirements listed in the application. A summary of the seven proposals that did not meet threshold are listed on the attached 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 through January, 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 not be recommended for funding 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 for 2021-22 from the U.S. Department of Housing and Urban Development (HUD) has not yet been released. The following table shows the amount of the Detroit

CDBG allocation for the past eight years.

Year	Detroit CDBG Allocation	Change From Previous Year
2021-22	not yet released	
2020-21	\$35,282,359	increase \$766,026 (+ 2.2%)
2019-20	\$34,516,333	increase \$136,920 (+.4%)
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 a steady decrease in funding, but then a 9.9% increase three years ago, a .4% increase two years ago, and a 2.2% increase 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 \$5,027,736 for PS and HPS for 2021-22 based off of an estimated allocation of \$33,518,241 versus the \$5,292,817 that was allocated for 2020-21. This number represents an anticipated decrease in funding over last year.

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 once again, the Administration and City Council’s joint threshold criteria werelisted in the application.

In June 2020, CPC staff asked each Council Member to identify and rank funding priorities for PS, via a survey form. As a part of the 2021-22 application, the following priorities for PS were listed: Public Safety, Seniors, Education, Recreation, and Health.

CPC REVIEW AND RECOMMENDATION

The Commission is being requested to consider the funding recommendations for the PS categories at your meeting of Thursday, January 28, 2021 in order to advance your recommendations to City Council prior to their scheduled February 8, 2021 Public Hearing and Appeals Hearing on the recommendations.