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TO: City Planning Commission

FROM: Marcell R. Todd, Jr., Director
Christopher Gulock, Staff

RE: **Overview of the Citizen Review Committee's role in reviewing Neighborhood Opportunity Fund applications and post-bankruptcy changes**

DATE: May 16, 2023

The following report is CPC staff's summary of work by the Citizen Review Committee's (CRC) in reviewing Neighborhood Opportunity Fund (NOF) applications and changes made to the NOF review process since the City's bankruptcy.

Background information on the role of the Citizen Review Committee

One important task of the CPC is to advise the City Council on the Community Development Block Grant (CDBG) and NOF programs. Since 1976, Detroit has annually received the CDBG federal grant from the U.S. Department of Housing and Urban Development (HUD).

The NOF program, spearheaded by City Council in the 1970s, is part of Detroit's CDBG program. The overall goal of the NOF program is to provide funding for neighborhood improvements and services identified by neighborhood organizations and neighborhood-oriented service organizations. In 1978, the City Council established the CRC to advise the City Council and the CPC on the NOF program and proposals.

The CRC was made up of Detroit residents appointed by the City Council. Members of the CRC were nominated for three-year, overlapping terms; the eleven members represent various communities throughout the City and reflect a diverse history of grass-roots community involvement and knowledge of both neighborhood and citywide issues. Every few years, CPC staff would release applications to Detroiters seeking those persons who were interested in serving on the CRC. The applications would be screened, eligible candidates would be interviewed by the Commission, and the City Council would make appointments.

Pre-Bankruptcy Operation of NOF and CRC

Prior to the City's 2013 bankruptcy, the City's NOF review was primarily overseen by the Planning and Development Department (PDD) and CPC staff. At that time, the CPC office had about 17 staff members, 1 staff member who worked full-time on NOF and 4 who assisted with NOF/CDBG part-time. Below is a summary of the annual NOF review tasks :

- PDD would draft the NOF request for proposals (RFP) with input from CPC staff.
- CPC staff would host 2 or 3 proposal writing workshops with over 1,000 participants
- NOF applicants would submit 5 paper copies of each proposal divided between CPC staff and PDD
- The proposals had five categories including home repair, public facility rehab, public service, and other.
- Usually, the city would receive over 300 proposals; CPC staff would give 25-30 proposals to each CRC member to review and score
- Then twice a week, usually Saturday morning and Wednesday evenings from December through March, the CRC would convene to discuss each proposal and make a funding recommendation for each proposal – these meetings were open to the public for accommodation.
- The diverse makeup of the CRC often provided valuable insights into applicants, their services, and impact on that part of the city or the population being served.
- The CRC would then add up all of their recommendations and then make difficult decisions to submit balanced budget recommendations to the CPC for consideration
- CPC staff would take the lead in providing food at the CRC meetings, taking meeting minutes, researching questions, conducting individual group site visits, conducting bus tours with CRC members, and then in the end drafting reports and a detailed charts summarizing the CRC recommendations to CPC and Council
- The CRC would then present its findings to the CPC for review and then to City Council as part of the budget process.
- Then after the fiscal year began July 1st, PDD would take the lead in writing a contract with each NOF group and then monitoring and processing of each contract.
- The City, over the years, was often criticized for having too many steps in the contract process and for delayed contracts. PDD would counter that Council was giving too few dollars to too many groups and some groups did not have the capacity to meet the contract requirements, thereby making contracts difficult to process.
- CPC staff would regularly work with PDD to improve the NOF process, but there was always need for improvement.
- At times, HUD would monitor the City and give various writeups, such as Council funding groups that didn't meet proposal criteria, CDBG funds not being spent in a timely manner, problems with participants having a conflict of interest, etc.
- But overall, CDBG and NOF funds provided a valuable source of funds, over the years, to nonprofit organizations to provide needed public service and non-public service programs to Detroiters; the CRC was a valuable part of the process advising on the distribution of these limited federal funds.

CPC staff found a sample summary of CRC's work from past reports:

- In 2006-07, of the 330 proposals submitted, the CRC recommended funding for 147 NOF activities - 106 Public Service (PS), 7 Public Facility Rehab (PFR), 31 Home Repair (HR), and 3 other activities. The CRC met for 17 sessions or about 60 hours of meetings.
- For 2007-08, of the 328 proposals were submitted, the CRC recommended funding for 168 NOF activities - 114 PS, 10 PFR, 42 HR, and 2 other activities.
- In 2008-09, of the 319 proposals submitted, the CRC recommended funding for 96 different activities - 55 PS, 4 PFR, and 37 HR. The CRC met for 10 sessions.
- In 2010-11, 290 proposals were submitted, and 128 activities were recommended for funding - 71 PS, 9 PFR, 9 PFR, 36 HR, and 12 other.

Below is a photo of CRC members from 2005.



CITIZEN REVIEW COMMITTEE: First Row: Juanita Hernandez; Second Row (from left): William Ware, Brenda Goss Andrews, Diantha Tillman, Clara Newman; Third Row (from left): James Long, Lerryn Nelson, Abdul Kerriem Mohammad, Tracy Marks, Shawn Smith; Not pictured: Edward Anderson, Sr. Eileen Lantzy

Post-Bankruptcy Operation of NOF and CRC

In 2013, during and after the City's bankruptcy, the City's NOF review was greatly altered. Below is a summary of changes that have occurred:

- CPC staff was downsized from about 17 to 5 staff (few with NOF experience) and merged with other City Council divisions.
- The Emergency Manager/Administration redesigned the City's financial operations; the Office of Contracting and Procurement (OCP) was created to rebuild the City's contracting and procurement operations. OCP's process was redesigned to make sure every purchase and contract followed the rules. This also included how the city awarded, monitored and audited contracts with an eProcurement system. OCP was thus charged with releasing the NOF request for proposals, receiving applications online, and reimbursing recipients.
- The Housing Revitalization Department (HRD) was newly created to sustain and grow neighborhoods through management of federal housing, economic, and community development funding - review of all CDBG programs and some PDD staffing were shifted to HRD.
- HRD is charged with contracting, monitoring, and compliance, and OCP is charged with procuring the subrecipients through the RFP process.
- In 2017, the Office of Development and Grants (ODG) was created to align the City of Detroit's fund development, including project planning assistance and oversight of expenditures.
- While CPC was short-staffed, HRD's Neighborhood Services and Economic Development Divisions (which had more capacity) inherited and expanded the following NOF operations:
 - Annually draft the NOF request for proposals
 - Host the annual workshops
 - Work with NOF groups to improve capacity
 - Work with OCP to receive and process the submitted proposals
 - Create a detailed scoring grid and ranking system for NOF applicants

- Invited CPC staff (after it hired more staff) to join a team consisting of HRD, OCP, ODG, and CPC staff to separately score each proposal and then reach a final consensus score; for the last several years, this takes place in November and December. OCP monitors this review process to ensure protocols are followed.
- After the consensus scores are developed for each group, HRD based on estimated funding amounts drafts recommended funding amounts for the Mayor to review
- HRD creates a detailed chart with a project summary and Mayor's recommendation which is then submitted to the CPC for consideration.
- The review of Homeless PS was removed from the traditional NOF review and moved to HRD's Homeless Solutions section.
- Under Mayor Duggen, HRD removed the home repair application from NOF and instead awards the funds directly to homeowners.
- HRD is working to improve PFR, and as a result, PFR has not regularly been part of the NOF program.

For 2023-24, NOF, which only included PS, 47 applications were submitted with 35 recommended for funding. For 2022-23, 43 PS proposals were submitted and 35 recommended for funding, and 20 PFR proposals were submitted and 4 recommended for funding. There could be many reasons for far fewer groups being funded than in the past (35 vs. 128): there are less dollars available, the computer filing system discourages some groups, some groups have given up on the City's system, required funds on-hand, the City will not fund groups beyond the capacity it has to monitor, etc.

CONCLUSION

CPC staff hopes this report provides context for past work of the CRC and an understanding of the City's review of NOF post bankruptcy.

CPC staff thinks the CRC had the following benefits:

- It drew together a diverse group of citizens from across the city to provide valuable advice to the CPC and City Council on how best to spend NOF dollars.
- This removed recommendations from bureaucrats and factored in input from the community.

The challenges of reestablishing the CRC include the following:

- To replicate the past CRC review is very staff intensive; the CPC staff has not been restored to prebankruptcy levels nor does it appear LPD offices have the capacity or funding.
- The Administration, since bankruptcy, has replaced many of the past NOF review practices by replacing P&DD with HRD and adding OCP, Grants Management and related agencies outside of the City.
- The Administration has implemented the Eprocurement process through OCP, which is now charged with strictly receiving and monitoring procurement.