



February 5, 2016

Jon Jennings, City Manager
 City Hall
 389 Congress Street
 Portland, Maine 04101

Dear Mr. Jennings,

We are pleased to submit the CDBG Annual Allocation Committee's recommended budget allocations for Year 42 of the Community Development Block Grant (CDBG).

*On a national level, HUD has not released the 2016-2017 allocations, but we believe the funding will remain level with the previous year's funding.

CDBG ALLOCATION	Year 41 FY 15-16	*Year 42 FY 16-17	Difference in Dollars
Planning and Administration Cap	\$405,113	\$405,113	\$0
Social Service Cap	\$625,270	\$625,270	\$0
Development Activities	\$760,681	\$760,681	\$0
TOTAL	\$1,791,064	\$1,791,064	\$0

As in past years, the need for CDBG funding continues to exceed the amount of funds available. The total funds requested are \$3,524,286 resulting in a gap of \$1,733,222 between CDBG funds available and project requests. As in prior years, we were faced with difficult choices in this year's recommendation process and struggled with which applications to recommend for funding. The Committee stayed focused on the scoring criteria in order to be fair to all applicants.

The following sections of this letter outline our funding recommendations. The first section explains the history and progress Portland's CDBG Program has undergone over the past several years. The second section provides a description of this year's process, how the applications were reviewed and scored, and finally our recommendations for funding.

HISTORY AND CURRENT STATUS OF THE CDBG PROGRAM

Over the last eight years, the CDBG program has undergone significant review. This review resulted in changes to the allocation process as summarized below.

In 2008 the following steps were implemented:

Council Order 70-7/08 (HCD Task Force Ten Point Plan)

- Creation of the CDBG Priority Task Force
- Creation of the CDBG Annual Allocation Committee
- Funded projects are to be completed within two years of award

In 2009 the following steps were implemented:

Council Order 70-7/08 (HCD Task Force Ten Point Plan)

- CDBG Application process is to comply with the City's Purchasing Ordinance
- Council Order 91-08/09 (CDBG Priority Task Force Recommendations)
- Application and scoring reflect the goal of building strong, self sustaining neighborhoods by having applications address the priority impact areas and guiding principles.

In 2010 the final recommendations by the CDBG Priority Task Force were implemented, including:

Council Order 91-08/09 (CDBG Priority Task Force Recommendations)

- \$20,000 minimum request.
- Small grants in the amount of \$7,500 are available to social services for capacity building and to small businesses micro-enterprises for technical assistance
- Social service basic needs set aside for up to 10% of the HUD allocated CDBG grant
- Social service multi-year initiatives requests guidelines defined and encouraged
- Economic development job creation request guidelines defined
- The administration and planning request would be presented to and reviewed by the Committee, but would not be voted upon in a competitive environment

In 2011, the Council further reviewed the program and the implementation of all of the recommendations. Based on this review, the City Council implemented the following changes:

- *Eliminate* the small grants award of \$7,500 made available to social services for capacity building and to small businesses micro-enterprises for technical assistance
- *Eliminate* the social service basic needs set aside, previously set to be up to 10% of the HUD CDBG allocation
- *Lower* the minimum grant request from \$20,000 to \$10,000
- *Create* a maximum grant request per applicant:
 - \$150,000 for Social Service applicants
 - \$250,000 for Development Activities applicants
- *Create* a Maximum Cumulative Grant Allocation for City Applications
 - 45% of funding available for Social Services
 - 85% of funding available for Development Activities
- *Create* an economic development set aside/ cap for job creation for \$100,000
- *Create* a Priority Focus for Program Year 2011-2012:
 - For Social Services additional points can be allocated for applications meeting the Work and Shop priority criteria
 - For Development Activities additional points can be allocated for projects located in Libbytown, Census Tract 20.02

In 2012 there were minor adjustments made to the allocation process

- Based on pressure and direction from HUD we will be paying our grantees based on a cost per unit of service. Each applicant has provided a cost per unit of service. Funded applicants will be submitting funding requisitions and be paid based on the number of units provided and persons served. This does not apply to construction projects.
- Staff will be administering bonus and penalty points on the applications.
- Priority for Social Service applications is child care. Priorities for Development Activities are job creation and projects located in Libbytown or Census Tract 20.02.

Additionally, in 2012 Priority Task Force focused priorities even further:

- To create Sustainable Workforce Development Program(s) that move Portland residents out of poverty into sustained employment and financial stability.
 - 1) Invest in businesses with Portland locations to enable them to expand and create jobs, as eligible by HUD regulations.
 - 2) Provide a continuum of services to increase a Program Participant's professional capacity, financial stability, and ability to maintain employment, through: career advancement services, financial stability and job retention support services.
- Place Program Participant's in newly created sustainable Portland-based jobs.

In 2013 CDBG Working Group determined how to implement the Priorities of the 2012 Task Force:

- Invest 1) in businesses to create net new jobs or 2) to create microenterprise businesses (businesses with less than 5 employees where the owner is LMI Portland)
- Fill 66% of the net new jobs with low to moderate income (LMI) Portland residents.
- Priority will be given to applicants that will hire or serve more LMI Portland residents, homeless persons, New Americans, or single-parent head of households will be given preference
- Set aside \$400,000 (\$300,000 in Development Funds and \$100,000 in Social Service Funds) for the new Workforce Development Initiative now renamed the Employment Development Program.
- Fund at least two applicants
- Funding requests can be for two years
- Tracking of jobs will be for two years after job creation or microenterprise creation
- Success will be evaluated based on return on investment (CDBG investment vs. increase of income of new employees/ business owners)
- The first round of funding will begin in 2014.

2014 Minor adjustments

- Priority for ALL Social Service and Development Activity applications is child care and basic needs. These applications will all receive an additional three bonus points.
- There is a set aside of \$150,000 for Community Policing
- Penalty points were reduced: errors are only 0.25 points, and blanks are not penalized.
- The Employment Development Program received a \$400,000 set aside, including \$300,000 from Development Activities and \$100,000 from Social Services

2015 Minor adjustments

- No Bonus Points
- There was a new "Construction Only" application
- Guiding principles were targeted for Development, Economic Development and Construction applications

2016 Adjustments

- The goals of the CDBG program were recategorized to align with the HCD's new 5 year Consolidated Plan. The new goals are: Neighborhood Investment and Infrastructure, Housing Availability, Economic Opportunity, and Address the Needs of the Growing Homeless Population.

- A Priority Impact Level guide was created to accompany the new goals.
- CDBG applications received a set score of 7 points if the application fell into the ‘Priority’ category of a goal, or a set score of 11 points if the application fell into the ‘High Priority’ category of a goal.
- There is a public infrastructure set aside for up to 60% of the maximum cumulative request allotted to the city in the development activities category.
- There is no longer a set aside for the Employment Development Program
- There is a \$90,000 set aside for Childcare Vouchers

THE PROCESS AND REVIEW

CDBG Applications were made available on October 20, 2015. The mandatory applicant’s meeting was held on October 21, 2015 at 6:00pm in Room 24 of City Hall. All applications were due on Thursday November 19, 2015 at 2:00pm.

We received fourteen (14) Development Activities applications and seventeen (17) Social Service Applications, along with an Administration and Planning application, for a total of \$3,524,286 in funding requests through our annual request process.

There was a total of \$1,984,999 of Development Activity requests with \$760,681 available, and \$1,082,708 of Social Service requests with \$625,270 available.

The Allocation Committee Review and Funding Methods

Our Committee first met for this funding year on December 10, 2015. The Committee met six (6) times to discuss Administration and Planning, Development Activities and Social Service applications.

The Committee read each application individually prior to the meeting. At the meeting the Committee would discuss each proposal. If questions arose, staff documented the questions and forwarded them to the applicant to answer. The answers were then shared with the Committee.

Applications were organized by score from the highest to the lowest within each category. The City Council has directed the Committee to recommend full funding based on request for all applications; therefore each applicant was awarded full funding, until the funding was exhausted.

RECOMMENDATIONS

Administration and Planning Funding

The Committee reviews information regarding Administration and Planning, but does not score the application competitively. Administration funding is essential for operating the CDBG program and reporting to HUD. The Planning & Urban Development Department submitted a budget of \$456,579 with an understanding that the Committee can only recommend up to 20% of the entire CDBG budget be used for Administration and Planning. This year, we are anticipating the 20% cap to be \$405,113.

Organization	Program	Request	Points	Comm. Recomm
Planning & Urban Development Department	Administration	\$456,579	NA	\$405,113

Development Activities Funding

The Committee received Fourteen (14) Development Activities applications including construction and economic development, requesting a total of \$1,984,999 and only \$760,681 is available. The City Council's *85% Rule for Development Activities* is still in place, which specifies that a maximum of 85% of the Development Activity funding can go to fund City applicants, the remaining 15% must go to outside requests. In addition to the *85% rule* a public infrastructure set aside was introduced this year. The Public Infrastructure set aside is 60% of the city's maximum 85% request. The Committee's recommendations fall within these guidelines. The following table outlines the highest scoring applications, their requests and the recommended allocation from the Committee.

Organization	Program	Request	Points	Comm. Recomm.
Portland Housing Dev. Corp	58 Boyd St. Apartments	\$30,000	92.75	\$30,000
Portland Housing Authority	East Bayside Surveillance	\$15,000	91.00	\$15,000
Coastal Enterprises Inc.	Portland Jobs Alliance - EDI	\$135,000	90.50	\$135,000
Living with Peace	The Portland Micros	\$15,000	90.00	\$15,000
Coastal Enterprises Inc.	Portland Microenterprise Assistance Program	\$42,000	87.75	\$42,000
City of Portland Public Works <i>Application #2</i>	*Eligible for set aside ADA Curb Ramps	\$115,000	86.00	\$115,000
City of Portland Public Works <i>Application #3</i>	*Eligible for set aside Marginal Way Master Plan Streetscape Phase 1	\$742,300	84.25	\$408,681*

*If additional funds are available through program income the Committee recommends additional funding for Marginal Way.

Social Service Funding

The Committee received seventeen (17) Social Service applications, including a \$150,000 request from Community Policing which will be funded through a set-aside and an \$89,994 request from Catherine Morrill Day Nursery which will be funded the full set-aside amount of \$90,000. There is \$1,082,708 of Social Service requests with \$625,270 available. The City Council's *45% Rule for Social Services* is still in place, which specifies that a maximum of 45% of the Social Service funding can go to fund City applicants, the remaining 65% must go to outside requests. This rule did not affect the Committee's recommendations this year. The following table outlines the highest scoring applications, their requests and the recommend allocation from the Committee.

Organization	Program	Request	Points	Comm. Recomm
Police Department	Community Policing	\$150,000	Set-aside	\$150,000
Catherine Morrill Day Nursery	CDBG Childcare Voucher Program	\$89,994	Set-aside 89.25	\$90,000
Wayside Food Programs	Direct Service Programs	\$29,000	94.75	\$29,000
City of Portland Social Services Department	Family Shelter- After Hours Program	\$46,850	93.50	\$46,850
Amistad Inc.	Amistad Peer Support and Recovery	\$39,000	93.00	\$39,000
Preble Street	Food Programs	\$50,000	93.00	\$50,000
Preble Street	Resource Center	\$45,000	92.75	\$45,000
Amistad Inc.	Peer Coaching Initiative	\$50,000	92.25	\$50,000
Preble Street	Florence House Women's Shelter	\$30,000	92.00	\$30,000
City of Portland Social Services Department	Oxford Shelter- Housing Assistance for Long Term Stayers	\$47,702	91.13	\$47,702
LearningWorks	English Language Program	\$55,000	89.88	\$47,718

Funding Caps

In past years, the funding caps were set at \$150,000 for social service applicants and \$250,000 for development activities. This year, the funding caps remain the same, with the exception of public infrastructure projects.

SUMMARY

All projects that requested funding would be beneficial to our City, however due to limited dollars, not all were recommended for funding through this program. This is a competitive process; each applicant competed against all other applicants. The projects that are not being recommended for funding scored lower in each of the evaluation categories, and therefore in total points. A spread sheet is attached which provides all scores for each application.

As always, the Committee will continue to look for ways to improve the efficiency, effectiveness and transparency of the program. We welcome comments, suggestions, and feedback both from the Council and the public.

We thank you for your commitment to this program and your patience through its transitions. We hope you are satisfied with the results.

We are especially grateful for our appointments to the Annual Allocation Committee, providing us with the opportunity to participate in this program, and offer our recommendations for your consideration. We look forward to seeing you on March 14th and 28th and hearing your response.

Sincerely,

The CDBG Annual Allocation Committee for Program Year 2016-2017

Maxwell Chikuta, Chair
Annette Rogers, Vice Chair
Wendy Harmon
Matthew Purington

Attachments: CDBG Allocation Committee Funding Recommendations 2016-2017 (spreadsheet)

CDBG Recommendations 2016-2017

Administration and Planning

Type	Priority	Organization	Program/ Project	Request	Priority Impact/ Goal 33 pts	Guiding Principles 30 pts	Capacity to Deliver 25 pts	Partner/ Collaborator 12 pts	Total	Committee Recomm	City Manager Recomm	Council Allocation
1	AP	All	Planning & Urban Dev Dept	CDBG Admin and Planning	\$456,579						\$405,113	
<i>Total Admin & Planning Available</i>					\$405,113							
Subtotal:										\$405,113		

Development, Economic Development and Construction

Type	Priority	Organization	Program/ Project	Request	33 pts	30 pts	25 pts	12 pts	Total	Committee Recomm	City Manager Recomm	Council Allocation
12	CON	HA	Portland Housing Dev. Corp.	58 Boyd Street Apartments	\$30,000	31.75	28.25	22.50	10.25	92.75	\$30,000	
13	DA	NI	Portland Housing Authority	East Bayside Surveillance System	\$15,000	31.75	27.75	23.25	8.25	91.00	\$15,000	
6	ED	EO	Coastal Enterprises Inc	Portland Jobs Alliance Employment Development Initiative	\$135,000	30.50	26.75	22.50	10.75	90.50	\$135,000	
11	CON	EO	Living with Peace	The Portland Micros:Building a microenterprises & new jobs	\$15,000	30.00	27.00	22.75	10.25	90.00	\$15,000	
5	ED	EO	Coastal Enterprises Inc	Portland Microenterprise Assistance Program	42,000	30.25	25.25	21.25	11.00	87.75	\$42,000	
2	SET	NI	COP Public Works	ADA Curb Ramps	\$115,000	31.25	28.00	21.75	5.00	86.00	\$115,000	
3	SET	NI	COP Planning and Public Works	Marginal Way Master Plan Streetscape: Phase 1	\$742,300	29.25	26.00	21.25	7.75	84.25	\$408,681	
10	CON	EO	Learning Works	Renovation of Historic 181 Bracket Phase 2	\$70,250	24.25	25.00	22.25	9.50	81.00		
7	CON	NI	COP Public Works	Libbytown Community Garden	\$13,500	24.75	25.25	20.25	8.25	78.50		
14	CON	ANGHP	Preble Street	Rehab-Homeless Health Partners Clinic	\$154,643	25.50	25.25	17.75	9.75	78.25		
9	CON	NI	COP Recreation & Facilities	East Bayside Soccer Field Fencing and Futsal Court	\$194,000	26.00	26.75	20.50	4.75	78.00		
15	CON	NI	The Iris Network	Dormitory Accessibility for the Blind	\$171,325	23.00	19.75	22.75	10.00	75.50		
4	CON	EO	Catherine Morrill Day Nursery	Toddler Classroom Expansion Project	\$234,281	22.50	21.25	19.50	7.25	70.50		
8	CON	NI	COP Recreation & Facilities	Cliff Island School Playground	\$52,700	22.00	18.00	19.25	7.00	66.25		
<i>Total Development, Econ Dev. & Construction Requests</i>					\$1,984,999							
<i>Total Development, Econ Dev. & Construction Available</i>					\$760,681							
Subtotal:										\$760,681	\$0	\$0

Social Service

Type	Priority	Organization	Program/ Project	Request	Priority Impact/ Goal 33pts	Guiding Principles 30 pts	Capacity to Deliver 25 pts	Partner/ Collaborator 12pts	Total	Committee Recomm	City Manager Recomm	Council Allocation
16	SET	NI	Police Department	Community Policing	\$150,000						\$150,000	
17	SET	EO	Catherine Morrill Day Nursery	Portland CDBG Child Care Voucher Program	\$89,994	29.50	26.50	22.25	11.00	89.25	\$90,000	
32	SS	SN	Wayside Food Programs	Direct Service Programs	\$29,000	32.00	28.75	23.75	10.25	94.75	\$29,000	
21	SS	NI	COP- Social Services Dept.	Family Shelter- After Hours Program	\$46,850	32.00	28.00	22.75	10.75	93.50	\$46,850	
18	SS	ANGHP	Amistad Inc.	Amistad Peer Support and Recovery Center	\$39,000	31.25	28.00	23.25	10.50	93.00	\$39,000	
28	SS	ANGHP	Preble Street	Food Programs	\$50,000	32.00	28.50	22.00	10.50	93.00	\$50,000	
29	SS	ANGHP	Preble Street	Resource Center	\$45,000	31.25	28.25	23.00	10.25	92.75	\$45,000	
19	SS	ANGHP	Amistad Inc.	Amistad Peer Coaching Initiative	\$50,000	31.00	27.75	22.75	10.75	92.25	\$50,000	
30	SS	ANGHP	Preble Street	Florence House Women's Shelter	\$30,000	30.75	27.75	22.75	10.75	92.00	\$30,000	
22	SS	ANGHP	COP- Social Services Dept.	Oxford Shelter- Housing Assistance- Long Term Stayers	\$47,702	28.13	28.75	23.00	11.25	91.13	\$47,702	
23	SS	EO	Learning Works	English Language Program	\$55,000	30.75	26.88	22.50	9.75	89.88	\$47,718	
25	SS	ANGHP	Milestone	Homeless Outreach & Mobile Engagement HOME Team	\$94,000	30.00	26.75	22.50	10.50	89.75		
31	SS	ANGHP	Preble Street	Joe Kreisler Teen Shelter	\$30,000	30.00	27.25	22.00	10.50	89.75		
20	SS	EO	Catholic Charities	Portland Jobs Alliance- Social Services	\$142,991	28.50	26.75	22.00	9.50	86.75		
27	SS	ANGHP	Port. Community Health Center	Survivors of War Trauma and Displacement	\$91,918	29.50	25.25	20.50	10.75	86.00		
26	SS	EO	The Opportunity Alliance	Work/Life Advisor Program (WLAP)	\$70,000	29.75	26.25	19.75	9.75	85.50		
24	SS	NI	Memory Works	Model Memory Cafes for Portland Seniors	\$21,253	26.25	26.25	22.25	10.00	84.75		
<i>Total Social Services</i>					\$1,082,708							
<i>Total Social Services Available</i>					\$625,270							
Subtotal:										\$625,270	\$0	\$0

ALL CDBG REQUESTS TOTAL \$3,524,286

Allocation Total: \$1,791,064