



MEMORANDUM

"...meeting community needs...enhancing quality of life."

TO: Community and Economic Development Committee (CEDC)
FROM: Roxy Schmidt, Community Development Specialist
DATE: April 7, 2014
RE: CDBG 2014 Funding Allocation ****Critical Timing****

On March 18, 2014, the City of Appleton received notice via email from HUD's Milwaukee office that Appleton's CDBG allocation for Program Year 2014 is \$525,200. For budgeting purposes, the City had estimated the award to be \$500,000. This number was based on past award amounts and the trend of award amounts in the past three years. According to the City's CDBG Policy, if there is a differential between the estimated and actual award, CEDC will decide how to deal with the differential. The table on the last page shows the amounts allocated to City programs, the original requests of community partner applicants and the allocation that was ultimately approved by CEDC and Common Council.

Two important considerations are the amounts allocated for public services and administration activities that are subject to caps put in place by HUD. Those caps and amounts (using \$525,200 as the award amount) are as follows:

	Maximum allowed	Currently allocated	Difference
15% Public Service Cap	\$78,780	\$75,000 (14.3%)	\$3,780
20% Administration/Planning Cap	\$105,040	\$47,000 (8.9%)	\$58,040

CRITICAL TIMING

The recommendation is considered a critical timing issue because of the timeline for the approval and submittal of the 2014 Annual Action Plan (AAP).

HUD issued a notice in December 2013, advising grantees that an Annual Action Plan for 2014 was not to be submitted until after the award amount was announced. Previously, AAPs were due 45 days prior to the beginning of the program year; in Appleton's case, February 15th. Because of delays in Congress approving HUD's appropriations, in the past AAPs would be submitted with an estimated award amount and have to be amended after the actual award amounts were announced. This created a significant amount of additional work for both HUD and grantees. As a result, grantees were given a new deadline of 60 days after HUD announced the 2014 allocations. As stated above, allocations were announced on March 18th, and following the new procedure, the AAP is due May 19th.

A 30 day public comment period is part of the approval process for the AAP, so with this somewhat condensed timeline, the process of making and approving recommendations for the additional funds

becomes critical. The calendar and process for recommendations and approvals is as follows:

March 18th – Final awards announced by HUD

April 4th – Notice regarding Public Comment Period and Public Hearing for the draft 2014 Annual Action Plan published in Post Crescent

April 7th – Recommendations by CEDC for allocation of additional \$25,200

April 15th – Draft Annual Action Plan available and start of 30 day Public Comment Period on the draft Annual Action Plan

April 16th – CEDC recommendations for additional funds presented to Council for approval

April 21st – Public hearing held at CEDC regarding the draft 2014 Annual Action Plan and draft plan presented to CEDC for approval

May 7th – 2014 Annual Action Plan presented to Council for approval

May 14th – 30 day Public Comment Period for 2014 Annual Action Plan ends

May 19th – 2014 Annual Action Plan hard copy due to HUD-Milwaukee

As you can see, allocation of the additional funds needs to be finalized quickly so that the activities resulting from those funds can be included in the draft AAP while the public comment period is open and before the due date of May 19th.

Staff requests CEDC make a recommendation for the allocation of **\$25,200**, the difference between the estimated amount and actual amount of the City's 2014 CDBG award.

Organization	Program Type	Original Request	Award
City of Appleton <i>CDBG Administration</i>	administration	\$ 25,000	\$ 25,000
City of Appleton <i>Fair Housing Services</i>	administration	\$ 22,000	\$ 22,000
City of Appleton <i>Homeowner Rehabilitation Loan Program</i>	housing	\$ 175,000	\$ 175,000
City of Appleton <i>Neighborhood Services Program</i>	public facilities/ community development	\$ 40,000	\$ 40,000
Appleton Housing Authority	housing	\$ 60,000	\$ 60,000
City of Appleton <i>Parks, Recreation and Facilities Management Department</i>	public facilities	\$ 53,100	\$ 53,100
Compassionate Home Health Care	public service	\$ 50,000	\$ 0
Emergency Shelter of the Fox Valley	public service	\$ 15,000	\$ 15,000
Fox Valley Warming Shelter	public service	\$ 10,000	\$ 10,000
Harbor House	public service	\$ 25,000	\$ 19,800
NAMI	public service	\$ 28,000	\$ 16,600
STEP Industries	public service	\$ 37,000	\$ 13,600
Greater Fox Cities Habitat for Humanity	housing	\$ 60,000	\$ 33,600
Housing Partnership of the Fox Cities	housing	\$ 45,800	\$ 16,300
		TOTAL	\$ 500,000