



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

MEMORANDUM

TO: Community and Economic Development Committee (CEDC)
FROM: Roxy Schmidt, Community Development Specialist
DATE: February 18, 2015
RE: Community Development Block Grant 2015 Funding Allocation ****Critical Timing****

On February 10th, 2015, HUD released the 2015 allocations for the Community Planning and Development formula programs, which includes the Community Development Block Grant (CDBG) program. Appleton's CDBG allocation for Program Year 2015 is \$523,813. 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 few 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 for this program year.

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 \$523,813 as the award amount) are as follows:

	Maximum allowed	Currently allocated	Difference
15% Public Service Cap	\$78,571	\$72,000 (13.7%)	\$6,571
20% Administration/Planning Cap	\$104,762	\$42,000 (8.0%)	\$67,762

The total amount currently allocated to public service activities as noted in the table on the last page of this memo, is \$72,000. An additional \$6,571 may be allocated to these activities under the 15% cap imposed by HUD.

All requests for 2015 CDBG funds, including City Departments and community partner organizations, are included in the table.

CRITICAL TIMING

The allocation recommendation is considered a critical timing issue because of the timeline for the approval and submittal of the 2015 Annual Action Plan (AAP).

HUD issued a notice in October 2014, advising grantees that the AAP for 2015 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 2015 allocations. As stated above, allocations were announced on February 10th and following the new procedure, the AAP is due April 10th.

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:

- February 10th – Final 2015 awards announced by HUD
- February 18th – Special CEDC meeting to determine allocation of additional \$23,813
- February 20th – Notice regarding Public Comment Period for the draft 2015 Annual Action Plan published in Post Crescent
- March 4th – CEDC recommendations for additional funds presented to Council for approval
- March 6th – Draft 2015 Annual Action Plan available and start of 30 day Public Comment Period on the draft Annual Action Plan
- March 9th – Notice regarding Public Hearing for the draft 2015 Annual Action Plan published in Post Crescent
- March 23rd – Public hearing held at CEDC regarding the draft 2015 Annual Action Plan and draft plan presented to CEDC for approval
- April 1st – 2015 Annual Action Plan presented to Council for approval
- April 5th – 30 day Public Comment Period for 2015 Annual Action Plan ends
- April 10th – 2015 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 final award amounts can be included in the draft AAP while the public comment period is open and before the due date of April 10th.

Staff requests CEDC make a recommendation for the allocation of **\$23,813**, the difference between the estimated amount and actual amount of the City's 2015 CDBG award.

2015 CDBG Approved Allocations

Organization	Program Type	Original Request	Council Approved Award Amount
City of Appleton <i>CDBG Administration</i>	administration	\$ 20,000	\$ 20,000
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
Greater Fox Cities Area Habitat for Humanity	housing	\$ 96,000	\$ 70,000
Housing Partnership of the Fox Cities	housing	\$ 31,200	\$ 31,000
Rebuilding Together Fox Valley	housing	\$ 25,000	\$ 10,000
		TOTAL	\$ 428,000
PUBLIC SERVICE ACTIVITIES			
Homeless Connections (formerly Emergency Shelter of the Fox Valley)	public service	\$ 15,000	\$ 14,000
Fox Valley Warming Shelter	public service	\$ 15,000	\$ 15,000
Harbor House	public service	\$ 25,000	\$ 23,000
STEP Industries	public service	\$ 30,000	\$ 20,000
		TOTAL cannot exceed \$78,571	\$ 72,000
		Public service activity Total	\$ 72,000
		All other activities Total	\$ 428,000
		TOTAL	\$ 500,000