



MEMORANDUM

“...meeting community needs...enhancing quality of life.”

TO: Community and Economic Development Committee
FROM: Nikki Gerhard, Community Development Specialist
DATE: November 5, 2019
RE: Recommendations for 2020 Community Development Block Grant (CDBG) Funding

Background. The estimated 2020 CDBG award listed in the 2020 City budget was \$577,214. This amount was estimated based on the most recent three years of awards. Staff determined the allocations for the Homeowner Rehabilitation Loan Program, Appleton Housing Authority, and administrative costs. The remaining amount was available for department projects and community partners through a competitive application process. In 2017, Committee and Council approved an allocation to an affordable housing project, that was to be managed internally by staff. Due to several variables, the project was not able to progress as intended; and, therefore, an additional \$200,000 was made available to community partners for an affordable housing project.

Application Information. CDBG applications from City Departments were due to the Community and Economic Development Department on August 30, 2019. One application was submitted and was recently approved for the full request. CDBG applications [from both pools of funding] from community partners for the 2020 program year were due to the Community and Economic Development Department on September 30, 2019.

Nine applications were submitted under the routine annual allocation process. After awards were allocated for City programs, administration, and the City Department project, the amount available to allocate to the community partner applicants was \$301,964.04. Only 15 percent of a grantee's allocation may be used for public service activities, per HUD regulations. In this instance, only a maximum of \$86,582 is projected to be available for public service activities. Because the Appleton Police Department's Summer of Services project fell under the public service category, the remaining balance allowable to community partner applicants was \$14,530.94. The total amount requested by community partner applicants whose activities fell under the public service category was \$34,530.94, while the total amount requested by community partner applicants whose activities did not fall under the public service category was \$525,334. Please refer to the attachments for a specific breakdown of the allocations.

A total of two applications were submitted under the affordable housing project special application process. To be considered eligible, proposed projects must be incorporating “new” additional housing units onto the tax roll, either homeowner or rental. The total amount requested by community partner applicants was \$175,000. Please refer to the attachments for a specific breakdown of the allocations.

Application Review. The CDBG Advisory Board met on October 29, 2019. Members were asked to review the applications and decide upon allocation amounts prior to the meeting. The allocation amounts made by each board member were compiled and discussed at the meeting. Allocation recommendations were agreed upon pursuant to this discussion.

Allocation Approval. The funding allocation recommendations for the Homeowner Rehabilitation Loan Program, Appleton Housing Authority, and administrative costs, as determined by staff, the allocation for the Appleton Police Department, and the allocation recommendations from the CDBG Advisory Board for community partners are presented in the attached table for CEDC approval.

Staff recommends approval of the preliminary allocations, as presented.

The following attachments are provided for additional information on this action item.

Attached Documents:

- 1.) 2020PY CDBG Advisory Board membership
- 2.) CDBG Policy
- 3.) 2020PY Community Partner Application Award Recommendations
- 4.) 2020PY Affordable Housing Project Application Award Recommendations
- 5.) 2020PY Simple Summary of Award Recommendations

If you have any questions, please contact me at (920) 832-6469 or nikki.gerhard@appleton.org.
Thank you!