



MEMORANDUM

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

TO: Community and Economic Development Committee
FROM: Nikki Gerhard, Community Development Specialist
DATE: November 28, 2018
RE: Recommendations for 2019 Community Development Block Grant Funding

Background. The estimated 2019 CDBG award listed in the 2019 City budget was \$559,772. This amount was estimated based on the most recent three years of awards. Staff determined the allocations for the Homeowner Rehabilitation Loan Program, Neighborhood Services Program, Appleton Housing Authority and administrative costs. The remaining amount was available for department projects and community partners through a competitive application process.

Application Information. CDBG applications from City Departments were due to the Community and Economic Development Department on August 31, 2018. One application was submitted, and was recently approved for the full request. CDBG applications from community partners for the 2019 program year were due to the Community and Economic Development Department on September 28, 2018. Seven applications were submitted. Upon receipt, the applications were thoroughly reviewed by the Community and Economic Development Specialist for eligibility under HUD program regulations and it was determined that all were eligible.

After awards were allocated for City programs, administration, and the City Department project, the amount available to allocate to the community partner applicants was \$269,753.52. Only 15% of a grantee's allocation may be used for public service activities, per HUD regulations. In this instance, only a maximum of \$83,965.80 could be allocated towards the public service applications. Because the funded City Department project fell under the public service category, the remaining balance allowable to community partner applicants was \$19,970.32. The total amount requested by community partner applicants whose activities fell under the public service category was \$62,000; while the total amount requested by community partner applicants whose activities did not fall under the public service category was \$273,404.

Application Review. The CDBG Advisory Board met on October 30, 2018. 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.

The Advisory Board agreed to preliminarily deviate from the CDBG Policy, which states that no allocation may be less than \$10,000, and allocate \$9,970.32 to a public service program. Staff anticipates the official CDBG award to be at least \$200 greater-accounting for the \$29.68 difference-; therefore, it is not expected that the deviation will be included in the request for final allocation approval.

Allocation Approval. The funding allocation recommendations for the Homeowner Rehabilitation Loan

Program, Neighborhood Services 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.

The CDBG Advisory Board elected to maintain \$49,879.20 unallocated until the formal 2019 CDBG entitlement awards have been issued by the Department of Housing and Urban Development (HUD). After official award, the CDBG Advisory Board will allocate any remaining funds, at their discretion, and propose those recommendations for approval by the Committee.

Staff recommends approval of the preliminary allocations and deviations, as presented.

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

Attached Documents:

- 1.) 2019PY CDBG Advisory Board membership
- 2.) CDBG Policy
- 3.) 2019PY Community Partner Application Award Recommendations
- 4.) 2019PY Simple Summary of Award Recommendations

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