



PORTLAND MAINE

Strengthening a Remarkable City, Building a Community for Life • www.portlandmaine.gov

February 8, 2010

Joseph E. Gray Jr., City Manager
City Hall
389 Congress Street
Portland, Maine 04101

Dear Mr. Gray:

We are pleased to submit the CDBG Annual Allocation Committee's recommended budget allocations for Year 36 of the Community Development Block Grant (CDBG).

On a national level the Community Development Block Grant is expected to receive increased funding this year. Congress is expected to finalize the CDBG Program Year 2010 budget this week. The budget listed below is based upon projected increases as has been released by HUD. Based on the projected increase, the City of Portland CDBG program is expected to receive an increase of \$274,279. The following table summarizes the budget difference from last year to this year. However, the recommendations herein are therefore contingent upon Congress's final 2010-11 CDBG allocation.

CDBG ALLOCATION	Year 35 FY 09-10	Year 36 FY 10-11	Difference in Dollars (\$)
Planning and Administration Cap	421,932	492,982	71,050
Social Service Cap	727,186	790,576	63,390
Development Activities	1,179,270	1,319,109	139,839
TOTAL Allocation	2,328,388	2,602,667	274,279

Despite the increase in CDBG dollars this year, the amount of requests increased as well. The total dollars requested is \$4,102,968, resulting in a gap of \$1,500,301 between available funding and requests. As a result, we were faced with difficult choices in this year's recommendation process and struggled with which applications to recommend funding. The Committee stayed very 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 last three years. The second section provides a description of this year's process, a description of how the applications were reviewed and scored and finally our recommendations for funding.

HISTORY AND CURRENT STATUS OF THE CDBG PROGRAM

Over the last three years, the CDBG program has undergone significant review. In 2006 the City Council created the Housing and Community Development (HCD) Task Force. This Task Force created Ten Recommendations, which were adopted by Council in October 2007. Recommendations included the creation of a Priority Task Force and an ongoing Annual Allocation Committee. The Priority Task Force conducted an in-depth community process that resulted in a new goal, priority impact areas, and guiding principles for the program, which the Council adopted in October 2008. Phased implementation of these Recommendations has occurred over the past two years.

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
- Projects are to be completed within two years of being funded

In 2009 the following steps were implemented:

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

- CDBG Application process should 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.

The final phase of implementation has been incorporated into this funding year, 2010, including:

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

- \$20,000 minimum request.
- Small grants available to social services for capacity building with a maximum request of \$7,500 and available to small businesses micro-enterprises for technical assistance with a maximum request of \$7,500.
- 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.

Additional Changes Implemented

- 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.

THE PROCESS AND REVIEW

CDBG Applications were available on October 14, 2009. An informational meeting was held on October 7, 2009 and a mandatory applicant's meeting was held on October 22, 2009.

The Development Activities Applications were due at 3:00pm on November 17, 2009. We received eighteen (18) Development Activities applications, requesting a total of \$2,000,133. \$1,319,109 is available for Development Activity applications.

The Social Service Applications were due at 3:00pm on December 8, 2009. We received thirty-two (32) Social Service applications. Seven of the applications are categorized as part of the Basic Needs set-aside, requesting a total of \$259,000, with a total maximum amount of \$233,541 available for Basic Needs applications. The remaining twenty-five (25) applications requested a total of \$1,326,567, with only \$557,035 available for all other social service requests.

The Allocation Committee Review and Funding Methods

Our committee first met for this funding year on November 12, 2009. Staff first presented the Administration and Planning budget to the committee for discussion. The committee began reviewing the Development Activity applications on December 10, 2009, and the Social Service applications on January 7, 2010.

The committee read each application individually prior to the meeting. At the meeting the committee would discuss each application and create a list of questions or clarifications on each application, if relevant. Staff would compile the committee's questions and contact each applicant to request a response. A summary of the answers from each applicant were provided to the committee in writing at the next meeting.

Development Activity scores were submitted December 20, 2009 and Social Service scores were submitted February 1, 2010. Applications were organized by score from the highest to the lowest within each category. Each applicant was awarded full funding, based on their request, until the funding was exhausted.

RECOMMENDATIONS

Administration and Planning Funding

Prior to starting this application year, the committee had decided not to score the administration and planning portion of the grant, because this funding is essential for operating CDBG and reporting to HUD. The Planning & Urban Development Department originally submitted a budget for \$497,268. A budget adjustment was necessary due to more recent funding announcements from HUD. The new Administration and Planning cap is \$492,982. This accounts for the discrepancy between the request and the recommended allocation.

Organization	Program	Request	Points	Comm. Recomm
Planning & Urban Development Department	Administration	497,268	NA	492,982

Development Activities Funding

The committee has recommended full funding based on request for all Development Activity applications. The following table outlines the highest scoring applications, their request and the recommended allocation.

Organization	Program	Request	Points	Comm. Recomm.
Planning & Urban Development Department - Housing & Neighborhood Services Division	Residential Rehabilitation Program	182,157	92.9	182,157
Planning & Urban Development Department – Inspections Division	Healthy Living, Healthy City	94,454	92.9	94,454
Recreation and Facilities Department	Connecting and Protecting: Enhancing Neighborhood Safety	60,480	92.9	60,480
Planning & Urban Development Department – Planning Division and Portland Trails	Connecting East Bayside: The North Boyd Street Bike/Pedestrian Trail	89,363	90.1	89,363
Boys and Girls Club of Southern Maine	Partnership with Portland's Police Athletics/Activities League	65,000	87.3	65,000
Momentum	Local Sprouts and Bomb Diggity Bakery	25,000	86.9	25,000
Iris Network	Build Up	100,000	86.1	100,000
Economic Development Division and Downtown Portland Corp	Portland Business Assistance Grant Program	100,000	86.0	100,000
Hot Suppa!	Hot Suppa! Job Creation	66,219	85.7	66,219
Public Services Department	Cumberland Avenue: Washington to Franklin north side	260,000	83.0	260,000
Public Services Department	Chestnut Street: Somerset to Lancaster both sides	110,000	82.7	110,000
Public Services Department	Handicap Ramps	53,000	80.4	53,000
Public Services Department	Dougherty Field Master Plan: Phase 2 & 3	272,025	78.7	113,436 + 5,007= 118,443

After funding the applicants through Handicap Ramps, \$113,436 remained. Due to lack of funds, the committee was unable to fully fund the Dougherty Field Master Plan Phase 2 and 3. Based on past information presented by the Public Services Department, this funding should be sufficient to complete Phase 2 and part of Phase 3. The additional \$5,007 was redistributed from Social Services, because it was insufficient to fund the next social service application on the list, bringing the total allocation for Dougherty Field to \$118,443.

All projects that applied for Development Activity funding would be beneficial to our city, however due to limited dollars, not all were recommended for funding through this program. A spread sheet is attached which provides all scores for each application. Please refer to this for more information.

Social Service Funding

Basic Needs Set Aside

This year is the first year this process has incorporated a Basic Needs set aside as part of the Social Service funding category. This has been set as a maximum of 10% of the HUD allocation, totaling \$233,541. The 10% was recommended by the CDBG Task Force and approved by Council. The calculation was determined by reviewing the history of allocations for basic needs applications for the past three years. The average spending in those years on Basic Needs was 8% and 10% represents a slight increase. Basic needs are defined as programs that respond to an acute need where no other option exists and such a response is temporary in nature. Examples include but are not limited to: short term shelter, emergency food services, emergency heat assistance or other emergency services.

There were seven applicants who requested funding under the Social Service Basic Needs set aside. Each application was reviewed and scored separately with question and answer process similar to the Development Activity process. The Committee's recommendations for Basic Needs are in the table that follows.

Organization	Program	Request	Points	Comm. Recomm
Preble Street	Preble Street Food Programs	50,000	91.1	50,000
Preble Street	Preble Street Women's Shelter/ Florence House	30,000	90.7	30,000
Preble Street	Preble Street Teen Shelter, Lighthouse Shelter	30,000	90.4	30,000
Preble Street	Preble Street Day Shelter	38,000	90.1	38,000
St. Vincent de Paul	St. Vincent de Paul Soup Kitchen	20,000	88.9	20,000
Health and Human Services Department, Social Service Div.	After Hours	34,000	83.7	34,000
Wayside	Wayside Supplemental Food Program	57,000	66.7	31,541

All Other Social Service Requests

There were twenty-five additional programs and organizations that requested Social Service funding. The total amount requested was \$1,346,567, of \$557,035 available. The committee’s funding recommendations for the remaining Social Service requests are listed in the following table.

Organization	Program	Request	Points	Comm. Recomm
Police Department	Community Policing	196,400	90.6	196,400
Catherine Morrill Day Nursery/ Youth and Family Outreach	Low Income Assistance Program	46,953	90.4	46,953
Southern Maine Agency on Aging	Safe and Independent Living for Aged and Disabled Adults	75,000	89.6	75,000
Cultivating Community	Growing Access, Growing Communities	54,260	88.0	54,260
Health and Human Service Dept, Health Care for the Homeless	Behavioral Health Program	127,796	87.6	127,796
Frannie Peabody Center	Client Services	30,000	85.7	30,000
Peoples Regional Opportunity Program	Senior Volunteer Program, Foster Grandparents & Senior Companions	21,619	85.7	21,619

After these seven programs were funded, \$5,007 remained in the social service category. The next highest scoring program on the list was Learning Works, Youth Build Alternative, who requested \$60,000. The committee did not feel that it would be sufficient to allocate \$5,007 to this program, considering this amount was less than 8% of the requested funds. Instead the committee is recommending that the remaining \$5,007 in the social service category be re-allocated to the development activity category. The next highest scoring application on the list that was not fully funded is Public Services Department, Dougherty Field Phase 2 & 3. The committee is recommending an additional \$5,007 go toward this project, bringing the recommended allocation for Dougherty Field to \$118,443.

All programs that requested funding provide valuable services to our community, however due to limited dollars, not all were recommended to be funded through this program. This is a competitive process where each applicant is in competition with all other applicants. The programs that were not funded scored lower in one or more evaluation categories and therefore in total points. A spread sheet is attached which provides all scores for each application. Please refer to this for more information.

SUMMARY

Despite the fact that all of the recommendations from the both the HCD Task Force and the CDBG Priority Task Force have been implemented, the Community Development program is still a work in progress. The following are comments from the committee on the recommended allocations for this year.

- The committee expressed concern about the escalating cost for the Community Policing and Behavioral Health program applications without a corresponding increase in services. Currently, these two programs are receiving 58% of the social service funding. If the costs of these two applications continue to increase, they will consume all of the available funding.
- The committee feels that the recommended allocations do not reflect a balance between larger organizations and smaller organizations. All of the social services that are being recommended for funding, except Cultivating Community and Catherine Morrill, are either operated by the City or large non-profit service organizations. They would prefer see a balance between the larger and smaller programs. The committee will discuss methods to address this disparity for next year.
- There was some confusion among applicants over the definition of basic needs this funding year. The committee will create a clearer definition for next year.
- The committee had committed to fully funding applicants at their request, according to score. As a result of increased requests and full funding, only fourteen social service programs are being recommended for funding by the committee. After reviewing the outcomes of this year's allocations the committee is reconsidering the option to flat fund in the future. They would like applicants to justify increased requests; one justification would be increased services.
- The committee feels that they followed the scoring system, and their recommendations are a result of the system that is in place. However, both the City Manager and the City Council have the latitude to make the adjustments to these recommendations.
- It is not a perfect system, and the committee feels that it is unfortunate that more programs were not funded. However, the requests for funding far exceeded monies available and the intent of the new system is to fund larger programs that have a bigger impact in the community.

The committee will be looking 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 transition. 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 8 and 22 and hearing your response.

Sincerely,

The CDBG Annual Allocation Committee of 2010

Annette Rogers, Chair
Victoria Szatkowski, Vice Chair
Frank Gallagher
Rhonda Juneau
Lori Nicholas
Michael Ouellet
Dominic Suru

Attachments: CDBG Allocation Committee Funding Recommendations 2010 (spreadsheet)