

Memorandum

To: Housing & Community Development Act Committee

From: Sarah Flax, Housing and Grants Administrator

Subject: February 20, 2018 HCDA Meeting Cover Memo

Date: February 20, 2018

Attached please find:

- The meeting agenda
- Item 1: Draft minutes of the November 21, 2017 meeting for approval
- Item 2: Memorandum 2019 CDBG Funding Allocation Timeline and Process
- Item 3: Memorandum Allocation of the CDBG Funds and Limits to Public Services Funding
- Item 4: 2018 City Council Goals

We look forward to seeing you on February 20th.



HOUSING & COMMUNITY DEVELOPMENT ACT COMMITTEE

Tuesday, February 20, 2018

7:00 pm

Lorraine H. Morton Civic Center, 2100 Ridge Avenue

Room 2402

AGENDA

- I. CALL TO ORDER/DECLARATION OF QUORUM**
- II. APPROVAL OF MEETING MINUTES FOR NOVEMBER 21, 2017**
- III. PUBLIC COMMENT**
- IV. COMMUNITY DEVELOPMENT BLOCK GRANT ALLOCATION DISCUSSION**
- V. STAFF REPORTS**
- VI. ADJOURNMENT**

The next meeting of the Housing & Community Development Act Committee
is scheduled for
Tuesday, March 20, 2018 in Room 2402.

Order of agenda items is subject to change

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MEETING MINUTES

HOUSING & COMMUNITY DEVELOPMENT ACT COMMITTEE

Tuesday, November 21, 2017

7:00 P.M.

Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Room 2402

Members present: Ald. Rainey, Ald. Wynne, Carol Goddard, Glen Mackey, Michael Miro, Jeannie Sanke

Members Absent: Ald. Braithwaite, Ald. Rue Simmons, Ald. Wilson, Shawn Jones

Presiding Member: Ald. Rainey, Committee Chair

Staff: S. Flax

Call to Order / Declaration of Quorum

Chair Rainey declared a quorum of the Housing and Community Development Act Committee and called the meeting to order at 7:08 pm.

Approval of Meeting Minutes for October 17, 2017

The minutes were approved unanimously as presented.

Public Input on the Draft 2018 Action Plan

Sue Loellbach, representing Connections for the Homeless and Joining Forces, said she reviewed the plan in some detail and was very comfortable with it. She also recognized the work that City Council, HCDA Committee and HHHRC have undertaken to address affordable housing needs in the community. She suggested noted that having an up to date Comprehensive Plan increases the likelihood that affordable housing will be developed and said that her organizations would be advocating for that action. She also acknowledged this would be an expensive but important undertaking.

Ray Friedman commented he attended the meeting to discuss affordable housing needs and how fees in lieu of on-site units would be used and how compliance with the City's Inclusionary Housing Ordinance (IHO) was being maintained. He noted that he liked Ald. Rainey's proposed rental subsidy program and will continue to be involved in efforts to address affordable housing needs. Chair Rainey noted that issues relating to the IHO were not in the purview of this committee; City Council has established a subcommittee to review and recommend updates to the IHO and additional information would be forthcoming on that subcommittee's work.

Doreen Price spoke about the needs of seniors such as herself who want to age in place but are ineligible for help through existing programs due to having reverse mortgages. She recognized Audrey Thompson for assisting her in evaluating her options. Chair Rainey suggested that Ms. Price contact Rep. Schakowsky's office for assistance relating to her mortgage and banking issues.

Discussion and Vote to Recommend Approval of the draft 2018 Action Plan to City Council Following Receipt of 2018 Entitlement Grant Amounts

Staff noted that no public comment on the draft 2018 Action Plan had been submitted in writing, however, updates were made to the description of homeless services provided by Connections for the Homeless in section AP-65 of the plan, including that homeless persons could be housed for up to a year at Hilda's Place. In addition, section AP-75 that described the plan to participate in a regional Assessment of Fair Housing with Cook County, the City of Chicago, and other entities required to conduct an AFH was changed to reflect the cancellation of those plans. Committee members discussed possible next steps in light of this change and it was agreed this would be a topic of discussion at a meeting in Q1 2018. Staff will contact the City of Chicago, which has the same fiscal year, to determine if there is any potential for a smaller scale collaborative AFH.

Chair Rainey asked committee members if there were additional topics for discussion. Hearing none, she called for a vote to recommend the draft 2018 Action Plan to City Council following receipt of the 2018 entitlement grant amounts; it was approved unanimously.

Discussion of the 2018 Community Development Block Grant Allocation Process

Mr. Miro noted that since four committee members were not in attendance, additional discussion should be considered for a future meeting. Members noted that there was little discussion among committee members at the 2018 funding meeting relative to prior years. Ald. Wynne noted that data on the impact of CDBG funding on program outcomes would also be valuable to decision making. The impact of new federal regulations to require assessments of agencies' capacity to carry out programs was also discussed. Ideas to facilitate more discussion of what should be funded included having the average funding for each applicant based on committee members' draft allocations. It was agreed that this would require that all members submit their draft allocations earlier and that schedule changes would be needed to allow for this. Staff will develop a draft schedule for the 2019 CDBG application process and funding decisions based on this need for discussion at the January 2018 meeting.

Discussion of Public Outreach and Engagement Process for the City's Consolidated Plan, Action Plans and Consolidated Annual Performance and Evaluation Reports

Chair Rainey this discussion was taking place based on an email from a resident requesting a change to the citizen participation process. She requested that any such communications be forwarded to the committee in future. Following discussion of the multiple channels used to engage residents and stakeholders, including paid advertising as required by HUD, it was agreed that information about public comment periods would be publicized through ward newsletters and meetings in addition to the communications vehicles already in use. This would also be done for the CDBG application review meetings to broaden awareness of the funding process.

Public Comment

There was no additional public comment.

Staff Reports

It was agreed that the December 19, 2017 meeting would be canceled due to lack of agenda items. The 2018 HCDA meeting schedule will be emailed to committee members.

Adjournment

There being no further business before the committee, the meeting was adjourned at 8:15PM.

Respectfully submitted,
Sarah K. Flax
Housing and Grants Administrator



Memorandum

To: Members of the Housing and Community Development Act Committee

From: Sarah Flax, Housing and Grants Administrator
Jessica Wingader, Grants & Compliance Specialist

Subject: 2019 CDBG Funding Allocation Timeline and Process

Date: February 20, 2018

This memo provides a timeline for the 2019 CDBG application and funding process, and development of the draft 2019 Action Plan that addresses the following:

- Reinstates review of City applications at an application review meeting
- Provides additional time (13 to 18 depending on final hearing meeting date) between the final application review meeting and the funding allocation meeting to give committee members time to consider how to allocate limited resources
- Completes the 30-day public comment period for the 2019 draft Action Plan by December 31, 2018, as required, to allow the City to incur pre-award costs for CDBG and HOME grants from its January 1, 2019 program year start date regardless of when those grant agreements are received from HUD.

The schedule minimizes conflicts with other City meetings and holidays and provides some flexibility for the dates of the application review meetings. Since the committee approved guidelines of a minimum grant amount of \$10,000 and that non-profits may apply for Public Facilities grants every third year instead of annually, annual CDBG applications have been either 23 or 28. See chart below.

| CDBG Applications by review meeting | 2015 | 2016 | 2017 | 2018 |
|--|-------------|-------------|-------------|-------------|
| CDBG/MHB Combined review meeting | NA | 6 | 9 | 10 |
| CDBG only review meeting | 20 | 8 | 11 | 7 |
| City apps not reviewed at meeting | 15 | 9 | 8 | 11 |
| Total CDBG applications: | 35 | 23 | 28 | 28 |

Unless there is a substantial increase in applicants for 2019 funding, staff anticipates that City applications can be included in the CDBG only review meeting. Based on reviewing between 17 and 19 applications and allocating 10 minutes per application, the meeting would run between 3 and 3 ½ hours, including one break.

Consideration could be given to starting meetings at 6 PM instead of 7 PM or to scheduling an additional application review meeting in early August once LOIs are submitted and the total number of applications is determined.

Proposed timeline for 2019 CDBG applications review and funding is as follows:

July:

- Applications open for letter of intent on July 9, 2018
- Mandatory pre-application meetings for external applicants between July 16 and 27
- Letters of intent may be submitted following the pre-application meetings and will be reviewed/approved within 2 business days; applicant may begin work on full application at that time.

August:

- All Letters of Intent due by close of business on 8/1/18; Full applications due by close of business on 8/15/18

September:

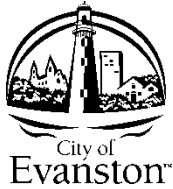
- Joint CDBG/MHB application review meeting on 9/6/18 or 9/13/18

CDBG only application review meeting on (9/13, 9/20, or 9/25)

- CDBG allocation meeting on 10/9/18
- 2019 Draft Action Plan posted for 30-day public comment period from 10/19/18 to 11/21/18

November:

- HCDA meeting to hear public comment on the 2019 Draft Action Plan public comment period ends



Memorandum

To: Members of the Housing and Community Development Act Committee

From: Sarah Flax, Housing and Grants Administrator
Jessica Wingader, Grants & Compliance Specialist

Subject: Allocation of CDBG Funds and Limits to Public Services Funding

Date: February 20, 2018

CDBG was authorized to support the development of viable urban communities. Its statutory goals are to provide decent housing, a suitable living environment and expanded economic opportunities, principally for persons of low and moderate income. CDBG's focus is on the built environment, of its nine objectives, only one addresses the expansion and improvement of the quantity and quality of community services.

To ensure that CDBG funding is prioritized for the built environment, HUD caps the total amount of CDBG funds that may be obligated for public services activities at 15% of the annual grant allocation plus 15% of program income received during the prior program year. In addition, new grant-based accounting rules and capacity requirements for non-profits receiving federal funding by the Office of Management and Budget have resulted in greater administrative burdens for CDBG funded agencies and projects, making small scale programs and projects less feasible and higher risk for compliance.

In recent years, the amount for Public Services has ranged from \$250,000 to \$275,000; 2018 is expected to be approximately \$242,550, based on actual 2017 program income and an estimated 2018 grant of \$1,500,000. So CDBG Public Services funding, which includes Graffiti Removal, amounts to about a quarter of the total City of Evanston funding for human services when combined with Mental Health Board funding.

A spreadsheet that summarizes CDBG allocations by category for 2015, 2016, 2017 and estimated 2018 is attached. The number of activities in each category is also included. Since implementing the committee-approved guidelines (minimum grant amount of \$10,000 and that non-profits may apply for Public Facilities grants every third year instead of annually) CDBG annual applications have totaled 23 or 28.

**City of Evanston
CDBG Allocations 2015-2017**

| Allocations by Category | 2015 | | | 2016 | | | 2017 | | | 2018 Estimate | | | 4 Year Average | | |
|---|---------------------|-------------|------------|---------------------|-------------|------------|---------------------|-------------|------------|---------------------|-------------|------------|----------------------|-------------|------------|
| | Amount | % of Total | Activities | Amount | % of Total | Activities | Amount | % of Total | Activities | Amount | % of Total | Activities | Amount | % of Total | Activities |
| City-CDBG Administration | \$ 320,949 | 17% | 1 | \$ 320,645 | 17% | 1 | \$ 324,413 | 17% | 1 | \$ 300,000 | 18% | 1 | \$ 316,502 | 17% | 1 |
| Public Services | | | | | | | | | | | | | | | |
| City Programs | \$ 79,498 | 32% | 3 | \$ 93,900 | 35% | 3 | \$ 93,921 | 34% | 3 | \$ 60,000 | 25% | 3 | \$ 81,829.75 | 32% | 3 |
| Non Profits programs | \$ 170,000 | 68% | 13 | \$ 176,384 | 65% | 10 | \$ 182,200 | 66% | 14 | \$ 176,448 | 75% | 12 | \$ 176,258 | 68% | 12 |
| Public Services | \$ 249,498 | 13% | 16 | \$ 270,284 | 14% | 13 | \$ 276,121 | 15% | 17 | \$ 236,448 | 14% | 15 | \$ 258,087.75 | 14% | 15 |
| Public Facilities & Infrastructure | | | | | | | | | | | | | \$ - | | |
| City Projects | \$ 464,707 | 76% | 5 | \$ 389,915 | 66% | 3 | \$ 360,000 | 57% | 2 | \$ 610,000 | 100% | 4 | \$ 456,155.50 | 75% | 4 |
| Non Profits Projects | \$ 150,000 | 24% | 3 | \$ 198,443 | 34% | 4 | \$ 267,000 | 43% | 4 | \$ - | 0% | 0 | \$ 153,860.75 | 25% | 3 |
| Public Facilities & Infrastructure | \$ 614,707 | 33% | 8 | \$ 588,358 | 31% | 7 | \$ 627,000 | 33% | 6 | \$ 610,000 | 36% | 4 | \$ 610,016.25 | 33% | 6 |
| Housing Programs/Projects | | | | | | | | | | | | | \$ - | | |
| City Housing Rehab Administration | \$ 187,900 | | | \$ 185,000 | | | \$ 143,499 | | | \$ 100,000 | | | \$ 154,099.75 | | |
| CDBG Revolving Loan payments | \$ 128,475 | | | \$ 180,861 | | | \$ 174,666 | | | \$ 66,122 | | | \$ 137,531 | | |
| City Code Enforcement | \$ 350,000 | | | \$ 325,000 | | | \$ 300,000 | | | \$ 313,899 | | | \$ 322,224.75 | | |
| Housing Programs/Projects | \$ 666,375 | 36% | 3 | \$ 690,861 | 37% | 3 | \$ 618,165 | 33% | 3 | \$ 480,021 | 29% | 3 | \$ 613,855.50 | 34% | 3 |
| Economic Development income | \$ 16,900 | 1% | 0 | \$ 14,492 | 1% | 1 | \$ 33,875 | 2% | 3 | \$ 50,000 | 3% | 0 | \$ 28,816.75 | 2% | 1 |
| Grant Year Totals | \$ 1,868,429 | 100% | 28 | \$ 1,884,640 | 100% | 25 | \$ 1,879,574 | 100% | 30 | \$ 1,676,469 | 100% | 23 | \$ 1,827,278 | 100% | 27 |

2018 City Council Goals



Invest in City Infrastructure and Facilities



Enhance Community Development and Job Creation Citywide



Expand Affordable Housing Options



Further Police/Community Relations Initiatives



Ensure Equity in All City Operations



Stabilize Long-term City Finances

Mission Statement

The City of Evanston is committed to promoting the highest quality of life for all residents by providing fiscally sound, responsive municipal services and delivering those services equitably, professionally, and with the highest degree of integrity.

Vision Statement

Creating the Most Livable City in America

Organizational Values

- Excellent Customer Service
- Continuous Improvement
- Integrity
- Accountability

